The Washington Monthly

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James Fallows on race, culture, and intelligence

A retiring GOP congressman on how to survive the Gingrich years

Steven Waldman on why Washington tries to strangle even the best ideas

What the Republicans don't know about government, and why it will hurt you

Also: David Corn, John B. Judis, Charles William Maynes, Gregg Easterbrook

THE TRUTH ABOUT TWENTYSOMETHINGS

They're highly educated, politically savvy, slightly jaded—and one day soon, they'll be running the country. Here's what they really believe

By Jon Meacham

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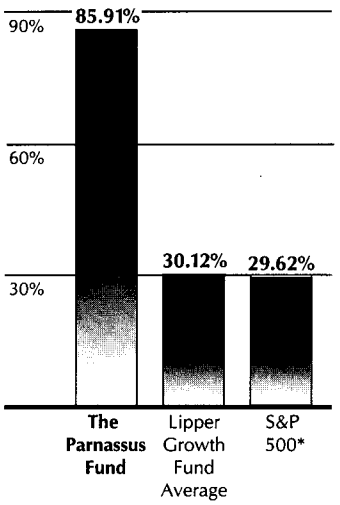

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Letters

Et tu, *Monthly*?

Your eleventh-hour admission that "[E]veryone in journalism should be shamed by the study . . . that found a nearly 75 percent tilt against Clinton on the network news" ["Tilting at Windmills," October] (omitting mention of a similar tilt in the print media) strikes a sour note.

The steady stream of abuse of both President and Mrs. Clinton that has issued from your pages from almost the first hour of the Clinton administration is something of which you and many others in the so-called liberal media should be deeply ashamed. Mea culpas delivered on the eve of the November elections are too little, too late.

Long ago I concluded that the accountability that comes with the White House makes Democrats uneasy. When a Republican president comes under the kind of fire aimed at Clinton by people like you and [*New York Times* editorial page editor] Howell Raines, the Republican party closes ranks. When a Democratic president is under attack, those who should be his allies and defenders either pile on or run for cover.

Should Bill Clinton become a one-term president, you may want to do a little soul-searching.

Sally Cutler
Exeter, NH

The editor replies: I voted for Clinton, and this magazine endorsed him in 1992. We would do so again—despite all the things he does that disappoint us, the latest being his pandering middle-class tax cut—against a Gingrich, Gramm, or Dole. And I suspect that on the whole we've been a bit kinder to Clinton than my friend Howell Raines has. Still, I know what you mean. The line between criticism and abuse can be thin, especially if, as we often are, you're trying to have some fun in the process. We have the same problem with the government agencies we criticize. In most cases, we don't want to destroy them; we merely want our criticism to help them do a better job. Yet we have to realize that our words are sometimes interpreted in a way that simply adds to the din created by the enemies of all government. But finally, I believe that the only hope for Clinton—and for the government agencies—is to heed legitimate criticism and that, therefore, those of us who are trying to give it shouldn't shut up.

Not a prayer

Charles Peters apparently swallows some of the religious right's misinformation ["Tilting at Windmills," October]. A moment of silence in schools, "during which students can pray" or reflect, is a solution for a problem that doesn't exist: Anyone who wishes to can already pray at will anywhere.

A moment of silence serves only to provide the benefits of government sanction.

Kids aren't stupid. Regardless of its label, they recognize a moment of silence as a subterfuge for government sanction of prayer. This (and peer pressure) coerces them toward majoritarian uniformity—in other words, it proselytizes, which is the whole idea. Parental prerogative is usurped. More importantly, so is the children's religious freedom, their right to develop freely their own beliefs.

Debates on this issue always politely avoid the underlying claim of proponents: that prayer can alleviate the nation's ills. If true, we'd all be fools to oppose it; you'd think they'd seek objective scientific studies to prove their claims. But they don't. And we all know why.

Let's be honest; the only reason for school-led prayer (or moments of silence) is proselytizing. And that can't be permitted in a nation desiring true religious freedom.

Rick Shumaker
Glendale, AZ

The editor replies: We agree that an organized recitation of the Lord's Prayer goes too far, but only because it is clearly sectarian. A moment of silence, however, is not tied to any one faith. And it seems an acceptable way for non-religious people to honor the desires of the religious. It says: No, you can't impose your prayer on us, but we will give you your chance to pray. And there is something universally good, we think, about a moment of calm in the cacophony of a school day.

Sensitivity 101

Charles Peters ["Tilting at Windmills," November] asserts his failure to comprehend why the gentleman at the FAA is suing the agency for having been forced to go through a gauntlet of sorts in which females grabbed his private parts. For Peters' edification, I would like to offer the following possibilities.

First, not all men wish to be grabbed in such a fashion because it is an invasion of personal space. Stereotypes and Oprah mentality aside, some of us males are of a more modest nature; we are not all sexual wolves. Secondly, few men I know personally wish to be grabbed by their coworkers, as the thought is downright repulsive and the actual act could result in negative personnel predicaments too numerous to mention. Third, many men do not wish to be grabbed because they are married or in a committed relationship, and this violates that commitment. Finally, not all men wish to be grabbed in a sexual fashion by females in any context whatsoever. If you require further elaboration on that last one, I'm happy to oblige.

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Perhaps *The Washington Monthly* staff would benefit from a sensitivity retreat, which Peters is so quick to disparage.
Brian Manuel
Washington, D.C.

The editor replies: Each of your points has merit. Still, I have to admit that *suing* does strike me as a tad prissy.

Poor judgment

The tandem effort of Gregg Easterbrook and Art Levine was right on the mark ["The Case Against *The Bell Curve*" and "*The Jew Curve,*" December].

A lesser-known aspect of Murray's intellectual development, if we can call it that, is that the inspiration for his work stems from his Peace Corps service in Thailand in the mid-sixties. As best as I can tell, his volunteer experience was entirely depressing and has driven his work ever since. Although his writings careen all over the place, their basic premise seems to be, "What's the use?"

In a 1988 *National Review* essay, "What's So Bad About Being Poor?" he mischievously suggested that poverty was okay—as long as one had a copy of Plato's *Republic* on hand.

None of this would be terribly significant if Murray weren't always trying to turn his thought experiments into federal law and if otherwise intelligent people didn't take him so seriously. Murray's scholarship reminds me of William Buckley's wisecrack that "I'd rather be governed by the first 400 people in the Boston phone book than by the entire faculty at Harvard."
Dan Buck
Washington, D.C.

Right hook

Gregg Easterbrook owes Tucker Carlson and *Policy Review* an apology for his slanderous innuendo in "The Case Against *The Bell Curve*" [December]. Easterbrook seeks to discredit a section of Charles Murray's book solely because it was based on an article by "journalist Tucker Carlson" in *Policy Review*. Easterbrook finds no errors in Carlson's reporting. He simply dismisses the Carlson article because 1) *Policy Review* is published by The Heritage Foundation, which is conservative; and 2) Carlson is a journalist, not a social scientist.

This is a bizarre line of argument for a (usually first-rate) journalist such as Easterbrook to make. And it is an even more bizarre argument for *The Washington Monthly*, a magazine famous for its first-rate journalism, to publish. As an editor, I would never allow *Policy Review* to discredit information solely because its source was the journalist Gregg Easterbrook or reporting in "the neo-liberal magazine" *The Washington Monthly*.

The Carlson article Easterbrook slanders, "D.C. Blues: The Rap Sheet on the Washington Police," was an outstanding work of reporting, the first article to break the story of the total breakdown of training and screening in the Washington police department. As Murray writes in *The Bell Curve*, "the basic features of Carlson's account are confirmed by a variety of other journalistic accounts, most conspicuously a 1993 investigative series by *The Washington Post* on police performance."
Adam Meyerson
Editor, Policy Review
Washington, D.C.

The author replies: Adam Meyerson has set a new record for being thin-skinned. I described *Policy Review* as "lively and at times insightful" and said nothing disparaging about Carlson. I merely wrote that Murray should have told readers Carlson's article originated in a magazine of ideology. The tone of Meyerson's letter—the slightest adverse reference to Heritage is "slander" and "bizarre" as opposed to, say, "criticism"—proves my point, that *Policy Review* has an exaggerated world view driven by ideology. Fair enough: but Murray presents it as a neutral source.

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Tilting at Windmills

That the new Republicans in Congress may not be imbued with the spirit of austere frugality that has been among the great characteristics of traditional American conservatism is suggested by the fact that at a recent training retreat, tuxedo-clad waiters served the new Members cognac and chocolate-covered strawberries in their rooms as the freshmen dressed for a party. . . .

When I said in an article in our December issue that too many Americans were of the "I-want-my-benefits-but-I-don't-want-anyone-else-to-get-them" variety, I did not mean that we should automatically endorse benefits for others. Rather, I meant that we should not begrudge others help they need. Equally important, we should question benefits for ourselves that are not needed. In order to be generous with others, we may have to be tough on ourselves, to act out of a sense of duty to our country and to our fellow man that makes us willing to surrender benefits that we may like but can get along without.

A rebirth of such a sense of civic duty is crucial to making this country work. Not only are millions of volunteers required to do the work that society cannot afford to pay for in health, education, public safety, and environmental restoration, but we face so many complicated and difficult issues, ranging from health care to welfare reform, that we need to attain new levels of citizen responsiblity for learning about public problems and participating in their solution.

I fear Bill Clinton is embarrassed to talk about duty because he never did anything like joining the Peace Corps or serving in the armed forces. But he should realize that his life is a wonderful tribute to a lifelong commitment to learning about political issues and trying to do something about them. (Of course, there's also the sheer fun, except for the last couple of years, he has gotten out of such a life.) And Clinton shouldn't feel embarassed about his failure to serve. His guilt is shared by most people who have come of age since 1965 and by 95 percent of the educated elite, including Newt Gingrich and most other conservatives as well as Clinton's fellow McGoverniks. In calling these people to the flag of duty, Clinton can speak in the spirit that is often the most effective: that of one sinner to another.

Richard Reeves, the columnist and Kennedy biographer, was recently asked whether, in light of his knowledge of all that was good and bad in the late president, his overall verdict was favorable or unfavorable. "Favorable," Reeves said, "because he brought out the best in his countrymen." Kennedy didn't do this by appealing to people's sense of entitlement and self-pity. He did it by saying, "Ask not"—which is exactly what Bill Clinton should be doing. Far more than they want a middle-class tax cut, the American people want to be proud of their president and proud of themselves. . . .

Last month I also cited dramatic improvement in the U.S. military—from the botched attempt to rescue the Iranian hostages to the successful liberation of Kuwait—as evidence that government can get better. There have, of course, been similar episodes in our history, perhaps the most dramatic of which is the change in the Navy's performance between Pearl Harbor and Midway.

In the same article, I argued that the civil service cannot be expected to improve until the marginal and incompetent people in it can be fired.

I should have connected the two points. The military's ability to improve has depended on its power to quickly replace poor performers, be they generals or corporals. When General George Patton had to shape up our force in North Africa after the disaster at Kasserine Pass, soldiers who couldn't do the job were removed, regardless of rank. In civilian government agencies on the other hand, only a few guys at the top can be fired. That just isn't going to result in the thorough reform that is needed.

Or let me ask my fellow Redskins fans who have just suffered through eight consecutive home losses: Do you really think the team can be dramatically improved simply by changing the coaches? Or do you suspect that we might need to change the players, too—quite a few players, as a matter of fact? Citizens in a democracy should think of themselves as the owners of a football or baseball team with the power to select the coaches and managers who in turn should have the authority to choose enough of the players to make a difference. . . .

Speaking of personnel, as part of my continuing lecture on how to rescue government from its current disarray, I have pointed out that in addition to pruning the dead wood, fresh new talent has to be recruited. After dropping from 60,000 in 1984 to 20,000 in 1992, the number of new

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hires in the federal government is now even lower. And we're still not making the effort to ensure that we get the best of potential applicants.

For instance, one job candidate who scored very high on a federal government employment test told investigators from the General Accounting Office that "At 97 percent, I thought I might get a nibble, and got nix! Zippo! . . . I felt as though, after I passed the test, my name was thrown into a black hole, never to surface again.". . .

You may recall our item last spring about the anxiety the movie *The Firm* was inspiring in the legion of lawyers who have overbilled their clients. Well, the boys at the bar must really be nervous now that Webster Hubbell has pleaded guilty to the same charge that nailed the bad guys in the film: using the mails to defraud. And the comfort we offered back in April that prosecutors and judges would be unlikely to indict and convict fellow members of the bar for a sin as common as overbilling is considerably less reassuring now that Hubbell has actually been indicted and convicted. Maybe there really are enough decent lawyers to ride herd on the unprincipled. That has certainly not been true in the past, but the mere possibility is certain to radically increase trips to the urinal in most law firms. . . .

A capacity for self-critical laughter is not among the more notable traits of the conservative movement in America. One conspicuous exception: our friend and occasional contributor, Christopher Buckley. In case you missed his prediction in *The New Yorker* of what will appear on the proposed new Conservative TV network, here are a few samples:

Morning

5-6: PRAYER (Mandatory).

6-6:30: NIKKEI TODAY—Highlights from the day's trading on the Tokyo Stock Exchange.

6:30-7: DÓNDE ESTÁ MI CAFÉ? (Educ.)—Communicating with your servants.

9-11: PHYLLIS! WITH PHYLLIS SCHLAFLY—Pacific tuna fishermen explain how dolphins commit suicide by hurling themselves into the nets; also: how to tell if your son is queer.

Evening

8:30-11: BIOGRAPHY: NEWT ("The Gathering Storm," Part 6 of 12)—Despite his anguished pleas that they can "work it out together," Newt's first wife shocks him by serving him with divorce papers as soon as she comes out of the anesthesia after her cancer operation. . . .

Speaking of the charming Newt, he recently defended the House perk that allows members to use for their personal pleasure frequent-flier miles accumulated on travel paid for by the taxpayer. Last summer, when Rep. Karan English offered an amendment that would have prohibited this practice, Gingrich killed it.

In the November election, English was beaten, but Gingrich, of course, not only won but is now king of the Hill. And he and all the other House members are free to jaunt off to Honolulu or St. Tropez with those frequent-flier miles the rest of us financed.

Of the effort to eliminate the perk, Gingrich said, "I think that's an example of the flagellant—the medieval tradition of beating on yourself." I think we can be confident that this is one tradition the Georgia conservative will not honor. . . .

But Gingrich is not all bad. He's right to end taxpayer support for all the caucuses that have sprung up in recent years as testimony to the fragmentation of America into special interest groups such as the Steel Caucus, the Textile Caucus, and the Suburban Caucus—yes, these are all real. Even groups with laudable aims, such as the Women's Caucus or the Black Caucus, focus attention on the interests of their particular constituencies instead of on the interests of the whole country, which should be the principal concern of the Congress.

Gingrich is also right to favor loser-pays as a way to halt blackmail litigation in which the plaintiff really doesn't think he has a just cause that will win, but instead hopes to force a settlement through the threat of an expensive-to-defend lawsuit. Loser-pays, which means the losing party pays the winner's legal bills, also discourages frivolous arguments by the defense that are merely intended to prolong litigation and run up the plaintiff attorney's fees. No defen-

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dant will want to run up those fees unnecessarily if he knows he might have to pay them. . . .

If you need to be convinced of the importance of downsizing in the public sector, ponder the fact that half of the District of Columbia's budget goes for payroll costs. And if you are in doubt about how critical it is to do that downsizing skillfully, consider another fact: Some of the workers to whom the District is offering cash incentives to retire will have to be replaced. In other words, they may be paying the wrong people to retire. Only if the retiring employee is less competent or is earning more than the new one does replacement of one worker by another make sense. Also, as we have repeatedly pointed out, it seldom makes sense just to let a worker go without making sure you have a plan to get his essential task performed by someone else. Even the worst loafers usually do an hour or two of real work a day. So the secret usually lies in consolidating two, three, or four jobs into one. Great savings are then possible, but only if you know enough about the jobs to combine what is essential in each. . . .

Nursing offers another example of how downsizing can be dangerous. As practically everyone who has ever been in a hospital agrees, the nurse is the most important person in your life at that moment.

The New York State Department of Health predicts the number of registered nurses in hospitals will decline by 3,000 between 1995 and 1997. In Massachusetts, where a similar decline took place between 1989 and 1994, a study showed that in 1989, only two nurses reported difficulties in providing safe care to the patient. In 1994, 363 nurses reported such difficulties. The resulting deaths went from zero in 1989 to 15 in 1994.

Suzanne Gordon and Ellen Baer, who recently wrote about this problem on the Op-Ed page in *The New York Times*, fear the unlicensed personnel hired to replace the nurses who are being let go. Their training may vary, according to Gordon and Baer, from six weeks to only a few hours. Yet in many hospitals they now insert catheters, read electrocardiograms, and change sterile dressings.

The issue, it seems to me, is not so much the length of their training but whether they are adequately trained for the specific tasks they perform. Do they know how to insert the catheters, read the cardiograms, change the dressings? If so, who cares if they are licensed R.N.s or not? What I want are a group of people around me in that hospital who between them are competent to do each of the tasks that have to be done to or for me. Among them I hope there are at least one or two who care about me, and at least one who cares about transmitting essential facts about my condition to the doctor who always seems to be rushing through his rounds. Into this picture, credentialism should not creep. Gordon and Baer, however, seem to think only a registered nurse can do any of these things.

They, and licensing authorities, should put less emphasis on job titles and more on the competence to perform specific tasks and on whether the total team caring for the patient combines all necessary skills. Doctors have used mindless credentialism to deprive nurses of the opportunity to do specific tasks, such as suturing, even though the nurse could demonstrate equal or greater competence for the tasks. Nurses should not similarly deprive personnel under them of the opportunity to advance on the basis of demonstrated ability.

But I fear that too many hospital administrators will, instead of looking for cheaper solutions that preserve standards of competence, simply look for the cheapest solution regardless of its impact on the quality of care.

All of which helps explain why, while I think there is much merit to the market economy, it is not the answer to health care. In matters of life and death the bottom line should not be the final arbiter. . . .

I was delighted to open a recent issue of *Time* and read this headline: "Reining in the Rich." The subhead? "The costliest welfare load isn't for the poor, it's for the well-to-do." While the *Monthly* has said this over and over, *Time*—and most of the other major media—have rarely emphasized this essential truth. So we congratulate the piece's author, Dan Goodgame, for showing that while there should certainly be reform of welfare for the poor, we should also look very hard at benefits for the affluent. White-picket welfare goodies include Social Security and Medicare benefits for the rich well above what they pay in; agricultural subsidies to millionaire farmers; total home-mortgage interest deductions on even the most lavish houses; and inheritance tax loopholes that leave estates under $600,000 completely tax-free. One example *Time* cites is that while it costs the government $12,709 to support a welfare mother with two toddlers, an upper midlle class family of four making $250,000 gets tax deductions worth $16,657. It took guts for Goodgame to pitch this story to *Time's* affluent editors and for them to publish it, since Time's well-to-do readers are the very people who would be affected if reform were actually passed. . . .

Finland, according to a recent article in the *New England Journal of Medicine*, has become the first country to eradicate measles, German measles, and mumps. Immunization is free under

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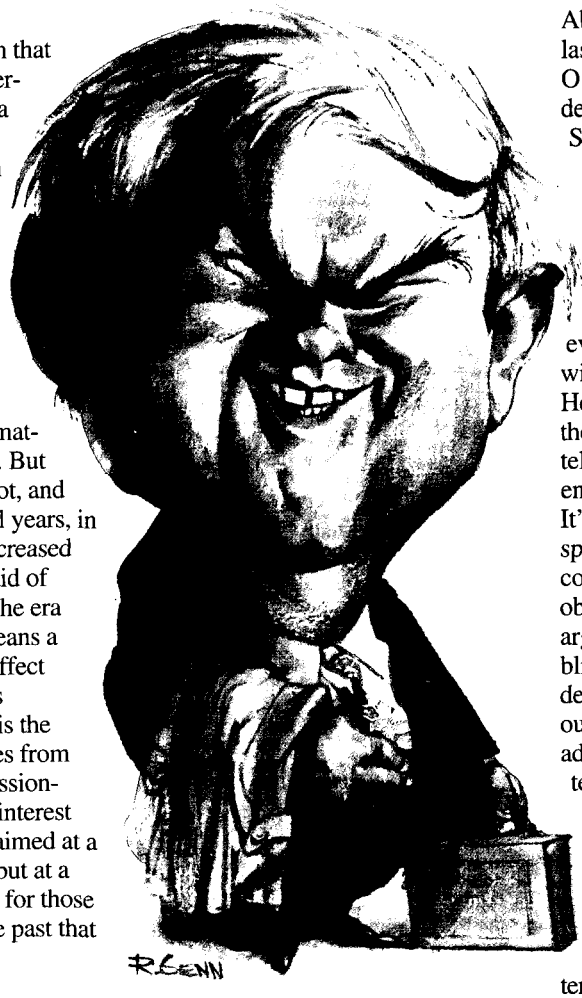
Finland's health care system. In America, we still have thousands of cases of these diseases, even though according to studies by the Centers for Disease Control and Prevention, every dollar spent on childhood immunizations saves $14 in future health care costs. . . .

I was appalled to learn that Alan Blinder, whom liberals had hoped would be a white hat at the Federal Reserve Board, has been brainwashed by Alan Greenspan and the other anti-inflation hysterics at the Fed. He now, according to *The Washington Post*'s Hobart Rowen, subscribes to the theory that rising employment automatically produces inflation. But American workers are not, and have not been for several years, in the mood to strike for increased wages. They are too afraid of losing what they have. The era of global competition means a continuing moderating effect on wage increases in this country as long as there is the possibility of lower prices from abroad. So all those recession-threatening increases of interest rates by the Fed are not aimed at a real danger of inflation, but at a phantom that exists only for those focused on lessons of the past that do not apply today. . . .

The FBI wisely has been shifting hundreds of agents from headquarters to the field. But in New York City, the local government is considering doing just the opposite, taking as many as 600 cops off patrol and putting them into desk jobs now performed by civilians. The New York proposal is probably the budget-protecting ploy that this magazine has dubbed the Firemen First Principle. This hallowed last resort of the clever bureaucrat says that, when your budget is about to be cut, announce that it will mean the loss of some essential service like firemen or teachers or the policemen on their beats. Here's where we need mayors, city councilmen and a press that know enough to identify the fat at headquarters and say cut here, not there. . . .



As some of you may remember, we ran an article several years ago in which we called the District of Columbia's government the worst in the nation. The worst agency in that government is the Department of Public and Assisted Housing. Yet last year, as the city was plummeting toward bankruptcy, the agency's director promoted 51 employees to higher salaried positions in just eight months, more than the five previous directors combined. . . .

Guess what the fastest growing business in America is? Gambling. About $330 billion was legally bet last year, reports NBC's Roger O'Neil, which is more than the defense budget and about what Social Security costs. Thirty-seven states and the District of Columbia have legalized lotteries; 20 states have casinos that are owned by Native Americans; and 10 states have licensed either casinos or riverboats. In Iowa, every man, woman, and child is within a two-hour drive of a casino. Here in the District of Columbia, the lottery is pushed by hard-sell television commercials designed to encourage gambling. This is crazy. It's also evil. Why not have state-sponsored opium dens with TV commercials promoting blissful oblivion? There is a reasonable argument for the state to offer gambling and dope to those who are determined to partake of those dubious pleasures, but it is outrageous to advertise them in a way that could tempt those who might otherwise choose to say no. . . .

While I'm not addicted to dope or gambling, I do have a similar weakness. My serpent tempts me to indulge in self-congratulation. The relative obscurity of the *Monthly* means that often our little triumphs are not widely—or sometimes even narrowly—celebrated. And although I annually pledge to resist the temptation to point out where we've been ahead of the curve, I fear I'm a hopeless case. So here I go again in the first issue of the year—calling attention to our October cover articles warning about certain alarming trends among the Fidelity mutual

Roman Genn

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funds and in the derivatives business. As you may have noticed with the recent unfortunate events at Fidelity's Magellan Fund and with Orange County's derivatives investments, our concerns have turned out to have some basis in fact.

Speaking of Fidelity, if you have ever called them about your account, you know that they say "This conversation is being recorded for your protection." But what happens if you have a dispute with Fidelity and want to know if the recording will be available to prove you right? Alas, they say it can only be kept for six months. One can't help wondering that if the conversation was supposed to be recorded for *your* protection, then why don't you have a say in how long it's preserved? . . .

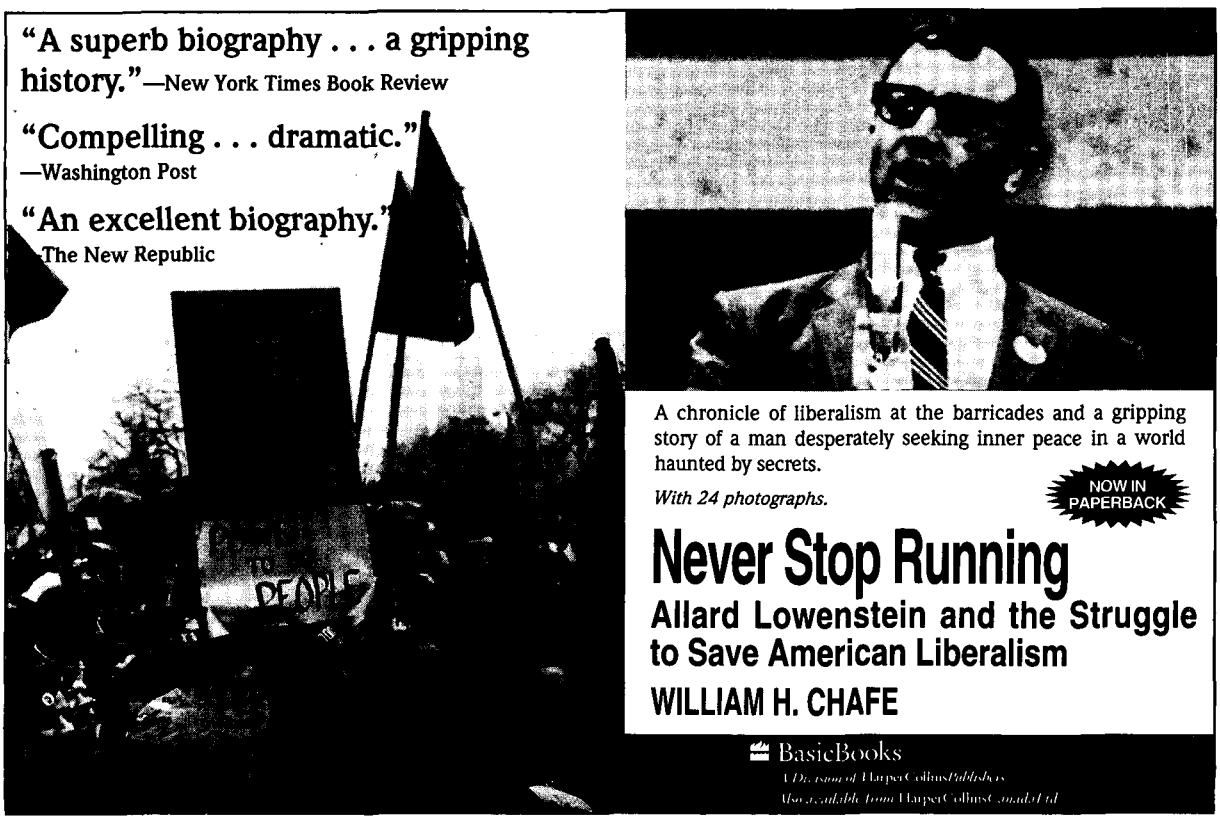
"Most employees," writes Alessandra Stanley of *The New York Times* about Americans working for the U.S. mission in Moscow, "are housed in a red-brick embassy compound of condo-style apartments. The compound has its own basketball court, video store, bar, gym, football field, barbecue pits, post office and grocery store—a kind of suburban American biosphere. Residents can easily avoid contact with Russian society, and many do."

There was an excuse for such avoidance in the Cold War years. There is none today. But what is most troubling is that it was the prevalence of such attitudes as long ago as the fifties that led Burdick and Lederer to write *The Ugly American*. As I was travelling around the world for the Peace Corps in the sixties, I found the story repeated over and over again at our embassies, which with a few notable exceptions provided a sad contrast to the effort of Peace Corps volunteers to make friends with local people other than the capital city elite. In subsequent *Monthly* articles about U.S. diplomatic posts in Asia and Africa in the seventies and eighties, we found largely isolated and self-absorbed American communities. The difference this can make: In 1964, Peace Corps volunteers in Iran were telling me that most Iranians hated the Shah, a fact that the embassy didn't appear to discover until the late seventies when the Shah was packing his bags.

This ignorance continues to be severe. Stanley describes U.S. consular officials in today's Moscow who did not know enough about local politics to identify a prominent dissident, the late Pyotr G. Grigorenko:

"I spoke to two consular officers and neither had ever heard of Grigorenko," another former dissident said. "It's like a Russian diplomat at our embassy in Washington not knowing Martin Luther King.". . .

—*Charles Peters*



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Under Newt Management

An outgoing moderate Republican congressman suggests how to move beyond Gingrichite conservatism and reflexive liberalism and solve the country's problems

BY FRED GRANDY

Two years ago, I sat on the temporary scaffolding erected behind the Capitol's West Wing and listened to our new president deliver his inaugural address. Bill Clinton's speech was predictably hopeful and uncharacteristically short, and I can recall feigning polite attention while I replayed in my mind all the events that had conspired toward the Republican loss the previous November. Just how George Bush had so decisively snatched defeat from the jaws of victory still eluded me. But as I watched the eager faces of my Democratic colleagues craning to hear every word from their triumphant leader's lips, I was sure of one thing: After waiting 12 years to recapture the White House, Clinton and his Democratic team were not about to screw up the way the Republicans had.

So for the rest of the ceremony I just sulked. Then as the members were filing off the platform, I turned to Lou Stokes, a Democrat from Ohio, and said, "Congratulations, Lou, it's your deficit now." This was a flippant crack mostly intended to mask my bitterness, but now, two short years later, it is the Democrats who are wise-cracking under their breath while the Republicans carefully attend their new leader. Although the roles have reversed since 1992, the dirty little secret behind victory remains the same: Namely, that the party that takes over usually inherits more problems than perquisites. In other words, congratulations, gang, it's *our* deficit again.

There is also, of course, a much stronger undercurrent of cynicism in the electorate in 1994 than in 1992. And because the magnitude of the Republican victory was so unexpected, the surprise element has riveted the nation's attention on this new Congress and raised everyone's expectations. Because of this, Newt Gingrich and Bob Dole probably have a greater symbolic significance than merely being the new co-captains of the legislative branch. They are more accurately the president and prime minister of a parallel government elected by the American people, not just to check the moves of the Clinton administration, but to advance a counter-agenda (the Contract With America) and be quick about it. As president, Clinton barely enjoyed a honeymoon before the public fell out of love with him. Gingrich will be lucky to get a conjugal visit.

Fred Grandy has been a Republican congressman from Iowa since 1986. He is retiring from the House this year.

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In plotting the Republican junta, Gingrich realized that for revolutions to succeed, you still have to make the trains run on time after you blow up the depot. And so far the occupation appears to be as successful as the uprising. A transitional government was quickly put in place after the election to provide a daily diet of changes to a skeptical press and a fascinated public. Less than a month after the Contract With America was duly notarized at the ballot box, a delta force of 73 Republican freshmen was swarming the Capitol, killing committees, sacking staff, selling buildings, and converting Republican wish lists into House Rules.

And after all the process reforms are used up, the Contract With America allows the new majority party to embrace wholesale changes without having to shoulder a lot of responsibility. Take, for example, the balanced budget amendment. Although it has always been controversial and was never agreed to in a Democratic-controlled Congress, the real heavy lifting on a constitutionally required balanced budget resides more in the 50 state houses across the U.S. than in Washington. The nagging inconsistency of promising both a balanced budget and an end to unfunded mandates goes largely unheeded inside the Beltway. A former Democratic colleague of mine, who didn't philosophically believe in a constitutional amendment to balance the budget but routinely voted for it whenever it came through the House, once told me: "All we need to do is load that baby into a silo and blast it out over the states. Where it lands and how much damage it does is somebody else's problem." Presumably, that somebody is a governor wrestling to balance a state budget that has to be cut because federal transfer payments have been slashed. But even with 30 Republican governors urging the Congress to proceed with caution, the balanced budget amendment, with its high approval ratings in the polls, offers a choice to a House or Senate member that is almost all gain and no pain.

However, after the amendment, the Contract With America becomes trickier to fulfill. Later items will come on which people will expect Republicans and Democrats to be working together to solve the country's problems—a radical idea in recent years. There is a new meanness in politics right now, an interest more in getting revenge than in taking responsibility—a condition which, no doubt, conservative GOP House members in the eighties and early nineties did much to bring about. Last April, for example, 65 House Republicans voted for the crime bill, complete with its provisions for midnight basketball and other prevention programs. By early fall, however, because Clinton was significantly weaker than he had been in the spring, only 11 of us in the Republican conference voted for the bill. The others apparently decided that beating the administration was more important than the merits of the legislation.

But governing is about finding common ground, and liberals and conservatives must give up the automatic partisanship that has taken hold in order to truly solve large problems. One issue in particular confronting Clinton and the 104th Congress that is especially prone to sinking under the weight of politics is welfare reform.

Like health care, welfare is a demagogue's delight. But, as Harris Wofford can probably tell you, winning the election is the easy part. Creating the public policy and then forging a consensus around it is much more elusive. Nearly everyone agrees that the system the government uses to try to help the nation's poor is broken. Despite the best intentions, by and large the programs created over the last 30 years have not worked; welfare as we know it tends to discourage work and reward illegitimate births—things that keep people down, no matter how much they might want to get out of the cycle of dependency. With more than 14 million Americans on public assistance and the enormous attendant social costs (terrifying ghettoes and rising crime in inner cities among them), Republicans and Democrats alike have a wonderful opportunity to work on a problem everyone knows must be solved.

Long before welfare became a hot topic, seasoned Republican veterans such as Clay Shaw of Florida and Nancy Johnson of Connecticut developed detailed proposals to tie welfare benefits to work requirements—ideas that are very, very close to what the folks at the Democratic Leadership Council have proposed. These were considered the conservative viewpoint until the 103rd Congress when newer members such as James Talent of Missouri, influenced by the writings of Charles Murray and the defeat-Clinton-at-any-cost political counsel of William Kristol, pushed the Republican package further right. So instead of staying in the center, where moderate Republicans were willing to work with Democrats to pass a real bill, rhetoric took over. "Pull the plug," Bill Bennett started saying.

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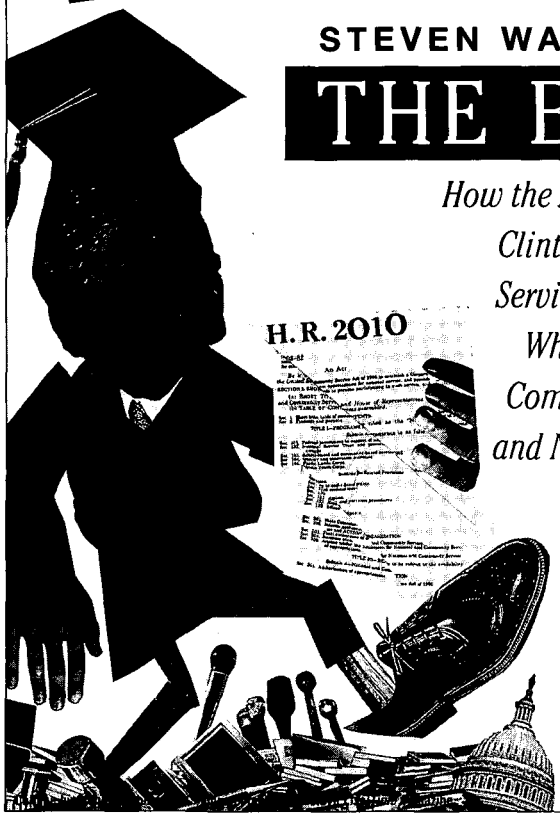
This strategy paid off at the polls but could wreak havoc in subcommittee when the new majority sits down to write a bill. For example, opposition forces have already dissected the Republican initiative and found the following potentially explosive provisions: 1) Welfare benefits would be cut off to anyone under the age of 18. Fearing a huge cost shift to the states, most Republican governors object to this. 2) Supplemental Security Income would be terminated for the elderly poor and the disabled poor. Big savings, but also big heartburn from those affected and from some powerful adversaries: the American Association of Retired Persons and the disability groups. 3) Participation work rates in states must be as high as 50 percent of the eligible population by 2003. Governors will view this as another monster mandate.

At this point, one might reasonably ask why even mess around with welfare reform. If it has the potential to be to Republicans the same sort of Bermuda Triangle that health care was to Clinton and the congressional Democrats, why not fall back and punt early? Nobody is expecting every detail in the Contract, which includes welfare reform, to become statute. And besides, isn't one of the most pointed criticisms of Clinton that he promises too much and delivers too little?

All too true. And yet for all the pitfalls along the way to welfare reform, for partisans the potential *political* rewards also make the journey worth taking. If the Republicans' ultimate goal is to turn their short-term contract into a long-term lease on power, then a win on welfare would solidify the public confidence they need to accomplish that goal. If Gingrich produces a welfare bill that time-limits benefits, requires work, and devalues illegitimacy without appearing—or being—cruel or unusual, he scores big twice: 1) His Congress will pull off something Clinton's Congress could not—a major piece of social engineering that enjoys popular support, even if it risks a presidential veto; and 2) Nowhere will the Speaker's struggle against the welfare state be more vindicated than by dismantling and retooling the very program for which the welfare state was named. There will be some who argue the welfare package should be loaded with enough radical right notions to force a Clinton veto and thereby further embarrass the president. But the ultimate victory would be a Rose Garden ceremony at which a Democratic president signs a Republican welfare bill into law, meaning a bill that is sound enough that Clinton can't risk vetoing it.

Along the way, the last thing Gingrich needs is to see this showcase issue splinter into minor clashes between noisy special interest groups.

"Forget all that stuff you learned in school about how a bill becomes a law.
READ THIS BOOK AND GET REAL.
It's an eye-opening, exciting, and exasperating story."*



STEVEN WALDMAN
THE BILL
How the Adventures of Clinton's National Service Bill Reveal What Is Corrupt, Comic, Cynical—and Noble—About Washington

*BILL SCHNEIDER, Senior Fellow of the American Enterprise Institute and CNN political analyst

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This is what clobbered Clinton on health care. He began with a high-minded plea for universal coverage and wound up in a crossfire between doctors and insurance companies. Winning the welfare debate—and even, consequently, doing good for the country—also entails exhibiting an honesty about welfare reform that up to this point has not surfaced anywhere in the discussion. Here again Gingrich can learn from Clinton's painful lesson on health care.

The president made his largest blunder when he insisted to the American people that under his plan, universal care would be both comprehensive and cheap. But nobody really believed that, and voters were put off by such rosy but unconvincing explanations. When Hillary Clinton, for example, claimed that the financing mechanism for the plan was "a premium, not a tax," people rightly felt as if they were being conned. Why not give up trying to fool the people and trust them enough with the truth that they can make a decision, based on all the facts, about what kind of reform the country should have?

Gingrich should not make the same mistake of sugarcoating the costs of welfare reform. Yes, reducing public assistance will ultimately lower taxpayer exposure but, in the short run (which is what we all have to live with), disassembling the so-called welfare state will definitely not be inexpensive. Money scored as budget savings in both Republican and Democratic welfare schemes is more appropriately defined as cost shifting. It may mean transferring the responsibility of public assistance from the federal to the state and perhaps even the local level. It may mean contracting out the public sector's obligations to the indigent while expanding the mission of the service sector—the churches, community service organizations, and the international not-for-profits such as Goodwill Industries and the Salvation Army. But any way you slice it, the process costs money up front and somehow, some way, somebody has to pay.

Owning up to that at the outset of the debate would increase the Speaker's chance of enacting credible reform and refocus the dialogue not on the cost to the taxpayer but on the value. Imagine: Republicans and Democrats levelling with the people about a problem and its true costs. Now *that* would be a true revolution—the kind of revolution the country desperately needs. □

Who's Who

Who inside the White House pushed for **Bill Clin ton**'s middle-class tax cut proposal? Its chief booster seem to have been the president and **Hillary**, a fact tha insiders say made open staff dissent very unpopula Outside the First Family, only **George Stephanopoulo Stan Greenberg**, and **Bill Galston** fully supported th idea. Nearly everyone else—**Leon Panetta**, **Alic Rivlin**, **Laura Tyson**, **Lloyd Bentsen**, and **Robert Ru bin**—appeared to be uneasy about the decision. But be cause Hillary was on board, nobody spoke up in oppos tion in the major meetings leading to the Oval Offic speech, which *Newsweek*'s **Robert Samuelson** sai "had all the dignity of a home shopping program.". . .

Republican insiders say that although they regar **Dick Cheney** as their ablest candidate for president i 1996, the smart money is now on **Dan Quayle,** wh seems likely to raise enough cash and survive the pro cess of elimination that will cut others such as **Ph Gramm**, **Arlen Specter**, and **Bob Dole** out of the rac As for **Colin Powell**, the GOP buzz is the same one th *Monthly* reported last month: That when it comes dow to actually running, the general will resist. . . .

Hillary Clinton has long believed that her husband' problems stem from "a failure to communicate" with th American people. And she long thought press secretar **Dee Dee Myers** was not up to the job. It's not surprising then, that one of Hillary's aides, **Evelyn Lieberman**, ha been installed as the deputy press secretary. Lieberman i conducting a full-scale audit of the White House pres operation in which staffers must meet with her and, i half hour sessions, justify their jobs. . . .

If **Bill Clinton** jettisons the political consultants wh helped him win the 1992 election, other Democratic han dlers are waiting in the wings to take on this prestige clien For instance, should Clinton dump the media firm of **Grun wald**, **Eskew**, & **Donilon**, he could well hire **Doak, Shrun** to make ads for his campaign and for the Democratic Na tional Committee. And while it's hard to imagine the duo o **James Carville** and **Paul Begala** being completely shut ou of the West Wing, Clinton is desperate, and it seems almos certain that the two wily Southerners will see their lucrativ payments from the DNC drop sharply in this new year. . . .

Here's what **David Rehr** of the National Beer Whole salers Association told *The Wall Street Journal* abou **Newt Gingrich**'s number-one advisor and unofficial "su per-chief of staff" **Joseph Gaylord**: "If you want to mak sure Newt knows you're on the winning team, you talk t Joe. Joe is going to be one of the few people who hel Newt determine who the friends and who the foes were."

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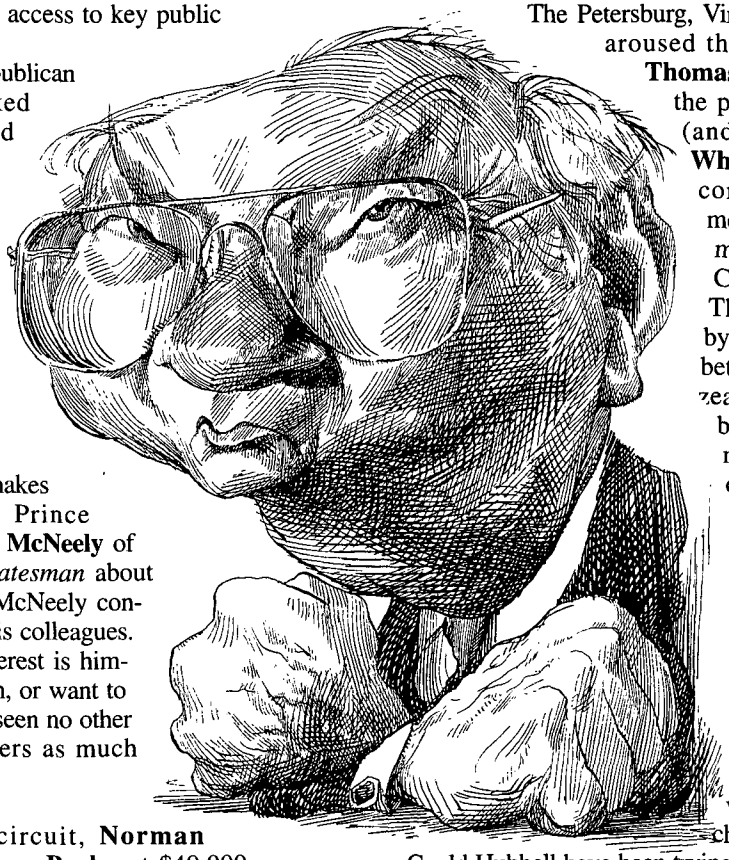
Bush's and Schwarzkopf's $peaking fees . . . Gingrich's Svengali . . . Hillary's press office coup . . . .

Gaylord, by the way, is not on **Gingrich**'s Hill payll. He operates as an independent consultant, which will ıable him to earn an estimated $300,000 this year. The rangement is not unlike the one **James Carville, Paul egala,** and **Mandy Grunwald** currently enjoy with the **linton** White House, a relationship Gingrich is inconveently on record as opposing on the grounds that it ould create the potential for abuse by allowing a lect few to gain undue access to key public ficials."

Frank Luntz, a Republican ollster who has worked ith both Gaylord and ingrich, says: "Other an his wife and fami-, Joe Gaylord is the ost important person Newt's world." Of urse, given Ginich's domestic histo-, Gaylord might not nd that quite as reasıring as it sounds. . . .



"This is a guy who makes **ob Dole** look like Prince harming," writes **Dave McNeely** of *he Austin American-Statesman* about **hil Gramm.** Gramm, McNeely connues, "is not liked by his colleagues. hey know his main interest is himelf. They don't trust him, or want to e around him. . . . I've seen no other olitician who engenders as much ure hate as Gramm." . . .

On the speaking circuit, **Norman chwarzkopf** and **George Bush** got $40,000 nd $65,000 respectively for recent speeches in Atlanta. ush has done even better, earning $100,000 for a halfour speech to Amway distributors. . . .

In Arkansas journalist **John Brummett's** new book bout **Bill Clinton,** there's this paragraph about **Hillary linton:**

"Hillary can hold a grudge. Her husband can't unless illary feels strongly enough about it to influence him. In the early 1980s, the Clintons had stayed mad for a ouple of years at **[Dale] Bumpers** for having said at a oast in Little Rock that Clinton couldn't finish his inome-tax return because he couldn't find Hillary to sign s head of household.)". . .

Another new book on the **Clintons**, *First In His Class*, by *Washington Post* reporter **David Maraniss**, reports that, in 1985, **Hillary** wanted to use public money to build a swimming pool on the grounds of the governor's mansion. When Clinton advisors told her she couldn't do it, one aide told Maraniss, Hillary "'was really mad. Very angry. She said, 'Why can't we lead the lives of normal people?'". . .

The Petersburg, Virginia *Progress-Index* has aroused the anger of major FON **Thomas Bliley**, who represents the paper's area in Congress (and whom, loyal **Who's Who** readers will recall, we correctly predicted last month would become chairman of the Energy and Commerce Committee). The paper steamed Bliley by suggesting a connection between the congressman's zealous support for the tobacco industry and the many customers that industry has provided for the funeral homes owned by the congressman's family. . . .

Some Washingtonians sensed something was up with **Webster Hubbell** a week before leaks of his plea bargain began when Hubbell made an unusual visit to a Georgetown church for Sunday services. Could Hubbell have been trying to get right with the Lord just before he got right with **Kenneth Starr**? . . .

Bill and **Hillary Clinton's** suspicion of the White House travel office they inherited from the **Bush** administration may turn out to be justified. **Billy Ray Dale**, the office's former director, has been indicted on charges that he embezzled more than $55,000 in media travel payments. There was one sentence buried in the eighth paragraph of *The Washington Post* story about the indictment that we suspect will not be the subject of diligent investigation by the media: "Dale supporters said Dale kept a petty cash fund that was used to take care of unexpected, *and sometimes expensive,* requests by the White House press corps." The italics are mine. . . .

—*Susan Threadgill*

Roman Genn

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Proof That Gingrich & Co. Don't Know What They're Doing

What the Republicans desperately need are people to tell them how government works and doesn't. So why are they eviscerating the agencies that do just that?

BY JOHN HEILEMANN

It was a cold day in early December when the new Republican leaders dropped their first Newtron bombs—proposals which would eradicate government personnel but leave buildings intact—on the Congress they would soon be running. In the House, the soon-to-be Speaker said he was wiping out the use of taxpayers' money to fund special-interest "legislative service organizations" such as the Congressional Black Caucus. Meanwhile, on the other side of Capitol Hill, Senate Republicans were taking aim at the General Accounting Office (GAO), which they want to slice by 25 to 50 percent, and the Office of Technology Assessment (OTA), which they want to get rid of entirely.

Faced simultaneously with their first symbolic challenge—the caucuses—and their first substantive one—the GAO and OTA—in this dawning era of Republican congressional reform, Democrats picked the wrong fight and fought it badly. In defense of the caucuses, they managed to sound at once selfish and shrill, calling the GOP plan "an assault on diversity"; "an attempt to silence free association"; "mean, reactionary and . . . border[ing] on racist." In defense of Congress' investigative arm and its best-respected source of research, they managed to sound even worse: silent. Incredibly, not a single Democrat raised a voice in protest.

Maybe it's not so incredible. At a time when the most wild-eyed Republicans are talking about scrapping everything from welfare to federal income taxes, the attack on the GAO and OTA must seem pretty minor. In fact, it speaks volumes. Republicans say they want to shrink the government by slashing bad programs and by ridding the bureaucracy of waste, fraud and abuse. Yet here they are, planning either to cripple or abolish the two congressional agencies which consistently come up with the kind of information lawmakers need to do just that. And the press, typically, failed to point out how vital these agencies can be.

At their best, the GAO and OTA perform a mission virtually unique among Washington agencies:

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They look at programs and regulations to see what works and what doesn't. Over the past 20-odd years, both organizations have identified literally tens of billions of dollars either wasted or, more often, simply spent unwisely.

And, just as important, they have turned the public spotlight on programs that aren't performing as advertised and suggested ways to fix them. If Republicans want to downsize government intelligently—a worthy goal—the absolute last thing they should be doing is undermining the GAO and OTA. Indeed, if they were really serious, they'd be thinking of expanding them. That they're headed in exactly the opposite direction suggests either cynicism or stupidity—or possibly both.

Nowhere does the cynicism theory ring so true as with the OTA. Created in 1972, the OTA's mandate is to keep Congress up to speed on emerging technologies and their implications for policy. Because many of the biggest concerns of the past two decades, from acid rain and global warming to auto safety and AIDS, have had signficant technological dimensions, the OTA has become a voice of authority in Washington on some of the nation's most contentious political debates.

Contentious—and complicated. Yet the OTA's greatest strength lies in its ability to wade through statistical or technological swamps and emerge with clear, even blunt, assessments that even the dimmest politician (not to mention reporter) can readily understand. In the late eighties, for example, it was the OTA that delivered one of the most devastating critiques of the Strategic Defense Initiative: "used in a real war," its report said, "there would be a significant probability that . . . it would suffer a catastrophic failure." Last summer, the OTA's analysis of estimates of health-care spending under various reform plans made clear just how little we really knew about how changing the health system would affect costs over the long run—a sign that the political debate was not doing justice to the importance of the issue.

This clarity of analysis is as much a matter of style as substance. Unlike most outfits dedicated to technology, the OTA is striking for its readiness to deal with the human factor. And unlike almost every other government agency known to man, its writing is (usually) free of deadening bureaucratese. When the OTA took on the subject of infertility, its description of the woman's perspective began, "Lately you cry at the drop of a hat." In a recent report on the information superhighway, the OTA's authors went beyond such dry topics as digital compression and fiber optics—though it covered them, too—to explain how high-speed data networks might connect people to their government. To illustrate, they sketched several fictional scenarios, including one about a woman in a rural community who "is on-line, scanning the recent legislation introduced in Congress and in the state legislature. She points to an icon and the full text of the bill appears on screen. 'They amended it,' she says to herself."

You'd think such stuff would appeal to Gingrich, a well-known cyber-romantic. Indeed, much of the OTA's best work lately has dealt with issues raised by the march of information technology—electronic commerce, privacy, cryptography and the like. Better still, the OTA is spectacularly efficient, issuing a steady stream of reports with one of the smallest staffs of any Washington agency: 143 employees. "The Botanical Gardens are smaller," jokes a former OTA head, "but that's about it." Yet instead of endearing it to Republicans, the agency's size has made it a ripe target. Eager to boast of abolishing an entire government agency but not gutsy enough to take on, say, the Department of Agriculture, the GOP is angling to axe the tiny OTA, whose only constituency is a public that has probably never heard of it.

Tiny is a word that could never be applied to the GAO. With 4,581 employees, 26 field offices, and a budget of $443 million, Congress's official watchdog has never been short of resources. But for most of its 73-year history, it

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squandered them. Staffed by auditors and accountants, the GAO suffered from an acute case of institutional myopia, asking too many small questions and asking them too politely to fulfill its mission as the government's great ombudsman. Minor fraud was its forte. Major problems of government performance were not.

Then Charles Bowsher arrived in 1981. Judged solely by his credentials—Reagan appointee, CPA, partner at Arthur Anderson—he was not the likeliest person to shake things up. But throughout the eighties, slowly but surely, that's precisely what he did. The first signs came with the GAO's critical work on dozens of troubled weapons programs, including the B-2 Bomber, the Bigeye chemical bomb and the Sergeant York anti-aircraft gun. Then came its investigations into the savings and loan industry, which alerted Congress to problems there long before almost anyone was aware of them. (Unfortunately, no one listened.)

True, the GAO totally missed some major scandals: think of HUD in the eighties. And it still sometimes seemed as if the GAO only detected disasters—like the one surrounding the deteriorating conditions at America's nuclear weapons sites—after they occurred, when it would arrive on the scene in the aftermath like some super State Farm agent, clucking over the mess and adding up the bill. But the best of the GAO's work in the eighties showed that Bowsher understood both that his agency had to get ahead of the curve and that finding out whether government money was being spent well was as important as whether it was being spent legally.

That understanding has shown through even more vividly in the nineties. Last year the GAO was among the first government agencies to sound the alarm about the risks posed by derivatives to the world's financial system. (Its report, says one governor on the Federal Reserve Board, was "better than anything our own staff has done.") The GAO launched a withering critique of food-safety regulation at Agriculture. And, long before you saw countless stories about it on the TV newsmagazine shows, the agency had detailed the way that disability payments by the Social Security Administration were so out of control that drug addicts and alcoholics could use their checks to buy—would you believe?—drugs and alcohol.

Hard as it is to imagine Republicans complaining about reports like that, they do. In fact, ever since Bowsher came on board, the GOP has been griping that his agency has lost its objectivity and that it has become a tool for congressional Democrats. Republicans point to a study issued in October by the National Academy of Public Administration that charged the GAO with having "exceeded its appropriate role." But NAPA could not have been more wrong: Its complaint was that the GAO now spends too much time analyzing programs, and should instead pull down its green eyeshades and get back to auditing.

The truth, of course, is that because much of the work undertaken by GAO and OTA is initiated by requests from congresspeople, the agendas of both agencies has in the past been heavily influenced by the Democratic majority. But that majority is no more. And even when it existed, both the GAO and OTA were as ruthless at finding fault with federal programs administered by the Clinton administration as they were with those of Reagan and Bush. Indeed, when Clinton first rolled into town, GAO handed him a hard-hitting series of "transition reports" that went through each executive-branch agency, pinpointing badly run programs at some (Medicare at HHS) and urging wholesale reform at others (such as Agriculture, which GAO termed "a 20th-century dinosaur").

A Republican congressional leadership committed to dealing with those problems—to getting rid of the bits of government that don't work while keeping the ones that do—would embrace OTA and GAO as powerful tools in their cause and work hard to make them better. But this is, after all, the same party which started the Reagan years promising to create a leaner and meaner federal workforce, and instead left behind one that was fatter and a good deal more mediocre. Now Republicans are planning to leave themselves deaf and at least half-blind on Capitol Hill. Don't be surprised if the result is nothing less than deja vu all over again. □

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The Pension Time Bomb

The $1.7 trillion—that's right, trillion—government employee pension scandal could make us all nostalgic for the days of the S&L crisis. Here's how to fix it

BY GARETH G. COOK

To judge by the last election, most Americans can only smile at the thought of an unemployed congressman pounding the pavement in search of work. Others might feel a slight twinge of empathy for the suddenly jobless. But few suspect what every congressman knows: Thanks to an extremely generous pension program, many retiring members can live very well, at taxpayer expense, without lifting a finger.

Consider fallen House Speaker Tom Foley. According to the National Taxpayers Union Foundation, his lifetime pension will start this year at $123,804. Multi-millionaire Dennis DeConcini, retiring under the cloud of the Keating Five S&L scandal, will take in $55,669 this year. And Dan Rostenkowski, longtime chairman of the powerful House Ways and Means Committee, can expect his checks to start at $96,468 per year—and they will continue uninterrupted even if he is convicted of all the corruption charges on which he was indicted last year.

But the real surprise is that these are not examples of congressional perks gone mad. Many federal employees—and some state and local workers—are treated to pensions far more lavish than those of their counterparts in the private sector. So generous are government pensions, in fact, and so poorly are they financed for the future, that, absent serious reforms, the eventual price tag could trigger a financial crash that will make the S&L crisis look like a Big Wheels pile-up at the local playground.

Already, ballooning retirement payments are squeezing the very programs for which the government was established in the first place. Last year, for instance, pension checks for retired federal workers and military personnel ate up $65 billion. That's enough to fund the entire 1994 budget for welfare, education, and the National Endowment for the Humanities. Add to that the total cost, over five years, of the crime bill. And then add everything we spend on foreign aid and highways. You'd still have a ways to go.

It is the future, though, that is truly worrisome. In the good old days, a pension plan meant solemn accountants carefully putting aside and investing money so there will be enough when all the retire-

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ment checks start coming due. Put in the language of the green-eyeshade set: Without prudent investments, made with every pay period, public and private plans accumulate substantial "unfunded liabilities." And the government does not come close to investing each year what it needs to, and its unfunded liability—the bill that future taxpayers will get for today's public servants—is frighteningly large.

For federal employees, according to the Employee Benefit Research Institute (EBRI), unfunded liabilities have already hit $870 billion dollars. If you also include military retirees, total unfunded liabilities of the federal retirement system—money that has been promised but is not there—are now $1,497,000,000,000. If the federal government used the same accounting conventions as private businesses, the entire federal debt would jump, overnight, by a full third.

Though it is by far the worst offender, the federal government, unfortunately, does not have a monopoly on pension problems. According to a 1993 study by Wilshire Associates Inc., 28 states suffer from underfunding. More than 10 states are in serious trouble with less than 80 percent funding of their liabilities. Massachusetts has a $6.3 billion shortfall. West Virginia holds top unfunded honors with only 33 percent funding. According to a comprehensive survey conducted by Paul Zorn of the Government Financial Officers Association, states and localities have quietly put together unfunded liabilities of $164 billion.

Taken together, then, politicians have already indebted the next generation of taxpayers to today's government workers for nearly *$1.7 trillion*. But you would be hard-pressed to find a voter outside a few elite consulting firms who has any idea. "The public is ignorant," agrees Sylvester Sheiber, a former deputy director at the Social Security Administration and now research director of Wyatt, Co., a Washington, D.C. consulting firm. "And there's a reason for that: The people who've made these promises don't want the public to know."

The public will figure it out, though, as poorly run pension plans start to threaten critical services. In the Lilliputian District of Columbia, for example, the last few decades of generous pension promises have pushed unfunded liabilities to a giant-sized $5.5 billion, even as its operating budget has plunged deeper into the red. Along the streets, uncollected trash is a feast for rats and squirrels, but for the District's denizens, sad to say, it is a sign of things to come. As taxes have gone up, people have fled, leaving the pension burden on those who stay. Paying off D.C.'s pension liabilities would now require more than $9,000 from everyone still living in its borders.

With the government's own pension programs careening toward disaster, it is ironic how much energy is spent blaming private plans. Every fall, the federal government's Pension Benefit Guaranty Corporation releases a list of the 50 worst corporate offenders, outlining the billions for which they have not provided. Total private-sector underfunding, the PGBC reported last month, has now hit $71 billion. That is certainly a problem. Taxpayers should not be asked to bail out pension programs that have failed to plan for the future. But the potential bill from the federal government alone is 20 times *larger*.

A Pension for Trouble

Everyone agrees that public servants deserve fair and decent pensions. The thanks for a lifetime of public toil should not be dinners from an economy-sized can of tuna fish. And of course, back when civil servants were underpaid during their working lives, it made sense to send them off into the sunset with generous benefits. But over the last four decades, the salaries of federal workers have climbed a full 25 percent faster than private sector employees'. This makes the 24-karat federal retirement plans harder to justify.

To get an idea of how generous their pensions are, consider this. According to figures from the Bureau of Labor Statistics, an average worker "at a medium or large-size firm" making $35,000 and retiring at age 65 with 30 years service can expect about $10,800 a year in pension payments from his employer. That same worker, after 30 years with a state or local government, can expect a post-retirement take of $18,200. And, according to the Office of Personnel Management, a federal worker on the Civil Service Retirement System with the same profile gets $19,700.

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To be sure, state and local government employees (but not the feds) often contribute more to their plans than private workers. And more private employees can participate in "defined contribution plans" like the 401K, where their retirement investments are matched by their employer. (Though, in fact, a recent federal plan, called the Federal Employee Retirement System, does allow for matched investment contributions.)

On the whole, however, governments end up paying a lot more for pensions than private employers do. According to EBRI's analysis, private companies need to set aside about 15 percent of payroll. For state and local plans, that figure is in the thirties. And for federal employees the same figure to cover the inordinately generous benefits is as high as 47 percent.

There's more: Federal workers enjoy luxuries not found in the marketplace. One of the best is early retirement. With 30 years of service, most civil servants can retire to the golf course at age 55 without penalty. For 93 percent of federal retirees in FY1993, the average age was 58. In the private sector, the typical person retires at age 63, five years later. If private employees want to retire at 55, their monthly checks are substantially docked.

But it is military retirees who truly enjoy the high ground. They can start collecting checks after only 20 years of service. Since many of them start out in the services while still in their teens, this means that taxpayers are writing substantial retirement checks to codgers in their late thirties. The *average* military man or woman retires at age 44. When he does, his father could well still be working—unless, of course, he works for the government, too. The unfunded liability of the Military Retirement System is now $627 billion.

Employees of local and state governments can also "spike"—vastly increase—their pensions. Almost all private pensions are calculated from a five-year salary average. But most public employee plans use a three-year average or less, and many also consider other forms of compensation, like overtime and, in some cases, even unused vacation time and the department car. This makes it easier for clever workers to spike their *lifetime* pensions by saving vacation days and jacking up their overtime as they approach retirement.

Although by no means a problem everywhere, there are still striking—and for local taxpayers, infuriating—examples of this across the country. In December 1993, for instance, Los Angeles County's Thomas Tidemanson was able to retire from his $158,000 a year job as director of public works with an annual pension of $190,000.

Of all the public sector perks, though, the most enviable is known by a modest sounding acronym: the yearly COLA, or Cost of Living Adjustment. COLAs are extra payments, added on to match inflation. One hundred percent of federal retirees and roughly 50 percent of state and local retirees get them every year, automatically, while only about 1 percent of private retirees do. Over time, the small boosts compound to substantial sums. EBRI's Salisbury likes to give the example of a retiring Secret Service officer with an average background. Without COLAs, the pension would be worth $389,000. With COLAs, though, its value jumps to $697,000.

Just ask former Congressman Hastings Keith. Although he paid only $50,000 toward his congressional pension, his monthly check is now $9,410, and, since he retired in 1973, he has collected more than $1.2 million—all because of COLAs and a rule that allows him to "double dip," counting his military service for both his civil service and military pensions. But Keith is begging to be cut off. "I should not be getting all this money," he declares. He directs the rag-tag "National Committee on Public Employee Pension Systems," which is fighting to turn off the COLA spigots. He estimates that of the $65 billion the government paid in retirement benefits last year, half is due to COLAs.

Of course, not every federal retiree is drawing in the big bucks. Ruth Hall retired in 1970 at age 55, after 28 years as a government clerk. Despite her long years, her modest salary means that her yearly pension—$10,543—is also quite modest. Inflation has boosted the 78-year-old Hall's rent from $117.50 a month when she retired to $605 now. "I've been so grateful for the COLAs," she says.

Retirees like Hall deserve protection, but the federal retirement plan gives COLAs to everyone—former clerks and millionaires alike. That is very expensive. Indeed, according to a recent estimate by *Money* magazine, if all government

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pensions were cut back to private sector standards, the average person's tax bill, including federal, state, and local taxes, would drop by about 8 percent. The more important point is not our current bills but the prospect of what our taxes will be like if all of these pensions are paid out. That's the real danger.

A number of states have, in fact, been trying to reform. In Illinois, long among the worst funded state retirement systems, the legislature passed a law last August which will make state contributions a continuing appropriation, removing the yearly temptation to avoid paying for pension promises.

But the federal government suffers from a serious case of denial, aided and abetted by powerful lobbies. One of the strongest is the 500,000-member National Association of Retired Federal Employees (NARFE). In the first 18 months of 1993-94, reports the Center for Responsive Politics, NARFE gave more than $350,000 to candidates for national office, placing this obscure-sounding PAC 54th on the list of 3,000 that the Center tracks. The main power of retirees, however, is their voting strength—both their own and that of civil servants who are looking forward to their own pensions. That's why when a vote on benefits comes up, the employees' unions know to remind members of Congress how many feds live in their districts. *Retirement Life*, NARFE's monthly magazine, for instance, recently listed the number of retirees by state and their combined retirement income. Bob Dole, for example, could go down the list and see that 39,903 retirees live, and presumably vote, in Kansas. He could run his finger across the chart and see that they brought $47,060,786 in government retirement payments to his state just last year. In case the point wasn't clear, the magazine dryly notes that "The numbers of retirees are useful to illustrate potential political impact, or clout."

Despite the feds' genetic resistance to change, there has been some reform. Starting in 1986, new federal employees are entered into the Federal Employee Retirement System, which requires more employee contributions and cuts back on the guaranteed pension. Around the same time, the military retirement system made 20-year retirements a little less lucrative.

One of the most obvious reforms for both civil servants and for the military—and one that has not been seriously addressed—is later retirement ages. When the current standards were set, people did not live as long. With modern medicine, we can no longer afford to let civil servants go at 55. The same is true for the military. In earlier eras, officers and enlisted men were justified in being let go at 44 after a dangerous and physically demanding career. Today, there are plenty of jobs in the services that don't require you to be in top physical shape (and in fact, virtually all of the 40-year-olds in the military now are in assignments that they could easily perform at age 55). It is time to raise the civil service retirement age to 65, the military's to 55, and, while we are at it, the Social Security age to 70, as the Bipartisan Commission on Entitlement and Tax Reform recommended in December.

The government can also not afford to keep paying out across-the-board COLAs regardless of the recipient's financial status. $50,000-a-year pensions do not need the same protection that $10,000-a-year pensions do. Right now, the bill for federal COLAs falls on the shoulders of a middle class that, broadly speaking, will have to make ends meet without inflation bonuses.

Above all, whatever the details of reform, the principle must be full financing. The bill for all governmental pension promises—local, state, and federal—must be paid as they are made, just as prudent private companies do. Otherwise, the average citizen does not have a say in deciding where the line between fair and luxurious is crossed. The work is done and then the younger generation is left to pay for the contract.

Now the budget shortfall stands at about $1 billion for every word in this article. Either retirement payments have to be docked, or, notes EBRI's Salisbury, "we'll have to raise $1.5 trillion in taxes, borrow the money, or cut back federal benefits to other sectors of society." In December, President Clinton foolishly appeared to rule out reform of federal pension benefits, including the establishment of a later retirement age for civil servants. (This despite the fact that, in 1993, raising the civil service age to 65 came within six votes of passing the House.) But it is still possible for the Republicans now running Congress–and their Democratic colleagues–to demonstrate seriousness about pension reform. As a start, they could vow not to accept any COLAs on the already generous pensions that they will collect from Uncle Sam. Now *that* would be leadership. □

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The Truth About Twenty-somethings

They're highly educated, politically savvy, slightly jaded—and one day soon, they'll be running the country. Here's what they really believe

BY JON MEACHAM

On a brisk Washington night in December, in a long exhibition hall at the Marriott Metro Center near the White House, the annual Conservative Leadership Conference was in full swing. Floyd Brown's Citizens United hawked "Whitewater's Most Wanted" posters and the Bill Clinton-Gennifer Flowers tapes; *The Washington Times* had a booth selling subscriptions to its "National Edition"; across the way, Reed Irvine's Accuracy in Media proudly displayed a 1978 letter from Ben Bradlee, of *The Washington Post*, calling Irvine "a miserable, carping, retromingent vigilante."

Inside a meeting room at the end of the hall, while guests schmoozed with Phyllis Schlafly and sidled up to a cash bar, William Kristol, the current Republican Clausewitz, took the podium. "With this election," Kristol announced, "the 60-year dominance of liberalism and the Democratic Party are over."

In the audience as Kristol offered this assessment was 22-year-old Kevin McDermott, who, like hundreds of other young Republicans, is coming to Washington to work for a new GOP congressman. "I don't know that government can do anything right," McDermott said later, adding that a formative political influence in his life was Patrick Buchanan's era on "The McLaughlin Group."

You might want to dismiss McDermott's voice as an extreme example, the kind of thing you would expect to hear from people who go to meetings that feature National Rifle Association and Heritage Foundation exhibits. But that would be a mistake, for if anything McDermott represents the prevailing view among the bright young people in politics in America in 1995—shrewd, pragmatic, anti-government. Discount the conventional wisdom that, in 1992, MTV permanently brainwashed a whole generation into an army of lefties. The young did vote for Clinton in droves in '92, but now two thirds of them disapprove of the job he's doing, and more and more identify with the Republicans. In fact, according to a bipartisan "Battleground '94" survey last fall, by a huge ratio, 56 percent to 32 percent, young voters believe the

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GOP better shares their values than the Democrats.

To be sure, anti-government sentiment is not just generational; it would be very tough to find anyone today who would boldly declare blanket confidence in Washington. But this attitude is especially prevalent among twentysomethings, right and left. According to Louis Harris, 78 percent of people 18 to 24 *disagree* with the statement, "government can generally be trusted to look after our interests."

"I don't have a lot of faith in the government in general," says Kristen Joiner, 25, who grew up in liberal Madison, Wisconsin. "I don't think it has the means to get things done, frankly." If a Young American for Freedom alumnus who canvassed for Buchanan in New Hampshire said this, it wouldn't be very interesting; that a young woman like Joiner—who works for Habitat for Humanity International—believes it is striking. To understand how important this is, remember how popular liberal government used to be. The twentysomethings of the thirties, for example, were overwhelmingly Democratic; in 1936, Gallup found that voters under 24 favored FDR, 57 percent to 38 percent. In the forties, young people were so pro-Roosevelt that Republicans tried to make it harder for GIs (whose average age at that point in the war was roughly 24) to vote absentee in 1944, expecting a huge FDR margin. And in the eight presidential elections between 1952 and 1980, young people voted Democratic six times.

No more. Many twentysomethings assume that, as MTV vice president Gwen Lipsky characterizes it, "the system just seems broken." This view has become, outside of having divorced parents, the most common characteristic of my generation (I was born in 1969.) And what's interesting is that lots of people you would ordinarily expect to be liberal are in fact increasingly conservative.

This, roughly, is the young liberal cohort of the anti-government movement: young Democrats and left-leaning activists who work long hours, drink lots of Starbucks coffee and microbrewed beer, recycle, ride mountain bikes, wear Teva sandles, sleep on futons, occasionally sport nose rings, and backpack in Nepal or Burkina Faso or Tibet. They shop at Kramerbooks in Washington's Dupont Circle, Shakespeare & Co. in Manhattan, or the Coop in Cambridge. Their Port Huron and Woodstock are Rio and Cairo, where earnest internationalists ponder the fate of the Earth. They talk a lot about grassroots community service. They read Al Gore's *Earth in the Balance*, and their seminal journalistic experience of 1994 was the publication, in February's *Atlantic Monthly*, of Robert Kaplan's apocalyptic piece "The Coming Anarchy." The article argued that environmental degradation, tribal upheavals, and poverty are so widespread that pretty soon national boundaries won't matter anymore. Bill Sherman, a 26-year-old Clinton Interior Department appointee, says, "That article comes up in three-quarters of conversations among young politically interested people when they begin talking about world issues. I've still got a copy of it sitting on my desk."

Yet, at heart, people my age are about as conservative as the rest of the country is becoming. "People were trying to create issues salons when Clinton first got to town," says Brian Trelstad, who founded Campus Greenvote at Harvard and now works for AmeriCorps, the administration's national-service operation. "But the energy and enthusiasm for those things have mirrored people's energy and enthusiasm for the administration. So people are tuning in to 'Seinfeld' and 'Melrose Place' a lot more than they were in the first six months."

The explicitly conservative twentysomethings are watching these shows, too, and they are cooler, somehow, and even more detached. Unless they are from the evangelical wing, conservatives seem to drink a lot more, especially more liquor. They tend to dress like Fred Barnes (lots of solid shirts and rep ties). Devoted to Dinesh D'Souza, the more erudite among them read Hayek, Russell Kirk, and talk about Leo Strauss. (Tom Clancy is a favorite beach read.) On campus, they tend to start their own versions of the iconoclastic, right-wing *Dartmouth Review* (100 at last count), and display bumper-stickers (usually purchased from the classified section of *The American Spectator*) saying things like, "First Hillary, Then Gennifer, and Now Us." They like to point out that while Dan Quayle may be no Lincoln, at least he's never killed a woman in his car. The really hard-core

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consider Jack Kemp a squish and Phil Gramm the man to beat in 1996. The young conservative's dream evening, failing a date with Mary Matalin, is helling around with R. Emmett Tyrrell, smoking defiantly. Subscriptions include *National Review*, the paleoconservative *Chronicles*, *Policy Review*, and, of course, *The Limbaugh Letter*. Marc Short, a 1992 graduate of Washington & Lee University who worked on Oliver North's Senate campaign, describes his political awakening this way: "One of the big things I read was Barry Goldwater's *The Conscience of a Conservative*," says Short. "Those themes are very universal."

Right Turn

Why this basic conservatism? For one thing, it is the political implication of all the discontent you hear from twentysomethings. Roughly since the publication, in 1989, of Douglas Coupland's novel *Generation X*, the conventional wisdom has been that the people born after the baby boom are adrift, unified only by endless funds of TV trivia and credit-card debt. The animating drama of the ever-growing twentysomething commentaries, from Coupland to *Details* to *The Next Progressive* to *13th GEN* to a new book called *Late Bloomers* (subtitled, "Becoming Adult at the End of the American Century"), is that people born after 1964 are somehow disappointed, unable to get on with life, futilely searching for permanent jobs. In such a time, you might think that one reaction would be revolution. But the much more common response is to hunker down and wait it out, watching out for yourself and no one else. Irony and detachment become the prevailing poses. It's not nihilism, but there is a certain coolness in elite circles, and currency is placed on not getting caught believing too much in any one thing.

Another reason for cynicism about the possibility of progress—a fundamental conservative tenet—is that those under 30 face undeniably more difficult economic prospects compared to their post-World War II predecessors. Worry about jobs and debt feeds skepticism; if people don't think they are getting ahead, then they are unlikely to be very interested in improving something as seemingly vague as "the country." Of course, we have never lived through a sustained time in which government was broadly effective. In fact, we were in elementary and junior high school when the dominant news story—our first "dominant" news story—was the U.S. government's daily, humiliating failure to free the American hostages in Iran. Then came Reagan, and the conventional wisdom that government wasn't the solution, it was the problem. "We were young and impressionable, and we couldn't help but be influenced by the conservative trend in the country," says Kevin Pritchett, 25, a former *Wall Street Journal* editorial writer who now works for Mississippi Senator Trent Lott. And in the early nineties, when Clinton seemed unable to deliver major change fast, the MTV-driven early enthusiasm for the president diminished quickly. As that pro-Clinton sentiment sank, it took much of the willingness to give Washington a chance to make things better down with it.

This is a big win for the right. Today's young conservatism is a direct descendant of Goldwaterism, which gives the public sector no quarter, and this view remains virtually intact in the GOP. On the other hand, while today's young liberalism is the grandchild of the New Deal, it couldn't be farther from what lay at the heart of Roosevelt and Truman's visions: a fairer redistribution of wealth and an urge to make government a positive force.

Mention fixing the tax code to young liberals to get more out of the affluent and you get vague nods—*Yes, of course, that's important*—but the conversation quickly moves on to the Arctic National Wildlife Refuge or the spotted owl or global overpopulation. "Nobody I know talks about going and working on issues about the inner city or the working poor," says one young Washington environmental activist who also worked on the Clinton-Gore campaign. "They're not sexy, they're not covered in the press."

To understand the significance of the dwindling support for government among young people, you have to understand how profound the reversal is. From the twenties to the late seventies, the only acceptable way to be cool in most circles was to be liberal. In the thirties, at least until the Hitler-Stalin pact took some of the shine off Bolshevism, pro-Soviet radicalism was chic. Only after World War II and the slow demise of the Eastern European nations, culminating in the

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fall of Czechoslovakia in 1948, would a liberalism sympathetic to the Soviet Union fall decidedly out of fashion among most reasonable people. And in the fifties, a new element came into liberalism when Adlai Stevenson became the dominant Democrat, and part of the left moved from its New Deal and Fair Deal ethos. Then, being a liberal meant you loved the average guy. Once Stevenson's professorial air took over, however, being a liberal meant you were *smarter* than the average guy.

And although conservatives began acquiring a certain intellectual and social respectability with the publication, in 1951, of William F. Buckley's *God and Man at Yale*, his founding of *National Review*, in 1955, the writings of Russell Kirk in the early fifties, and the emergence, in the late sixties and early seventies, of neoconservatives such as Irving Kristol and Norman Podhoretz, the right remained, for the most part, unfashionable in elite circles. (It's no wonder, then, that popular conservatives such as Bill Bennett and Bill Kristol today relate, as revealing biographical anecdotes, how iconoclastic they were to support Nixon-Agnew while at Harvard in the late sixties.)

But beginning with Stevenson, if being considered cool and smart meant being liberal, you couldn't just take up lunch-bucket liberalism, even if that was what was important to the great majority of Americans. Instead, to set yourself off, it became essential to champion issues that the factory worker who wanted his kids' schools to work or the guy who didn't want to lose his health insurance if he got fired weren't thinking about. To be intelligent meant "understanding" criminals, looking down on family values, and being standoffish about patriotism. The result was a divided Democratic Party and a liberalism whose own snobbery made it unpopular.

Many of today's young liberals have inherited the worst elements of that elitism. Although Clinton has moved the Democrats back to the center on crime and values, there remains a streak of radical chic in, for example, the widespread interest in environmentalism. It is, after all, a broad and sexy topic, complete with furry victims to champion and the air of absolute importance—*This is the earth we're talking about here*. In a 1992 MTV survey, environmental activists outpolled pro-choice activists as the people twentysomethings admire most. One 25-year-old Yale graduate remembers attending meetings of environmentalists in New Haven where pro-green students passionately argued for allying to stop hunters from using the Yale forest, not realizing that hunters (because they want to keep on hunting, and so are pro-conservationist) are the movement's natural allies. "It was cool—too cool, really—to be into the enviroment," this graduate recalls. "But they rarely thought seriously about what they were doing."

Thinking seriously about what to do about the country's problems (which young people are quick to define, rightly, as failing schools and diminishing economic opportunity) is, in fact, all too rare. What is essential is learning the lessons of how the country has worked together best and then using those examples to help solve what's wrong today.

In failing to do this, the young are repeating the recent past in all the wrong ways even when they sincerely believe they are doing good work. In one significant area, for instance, left and right are making the same mistake. Like the radicals of the sixties, the current crop of twentysomethings believes, almost universally, that small, locally based community groups can do more good than large-scale federal action. Say this at a cocktail party and you are a genius, someone who has surveyed "the welfare state" and found it wanting. For conservatives, it is a way to argue against Washington, a favorite and familiar target, and appear to be offering a principled, realistic alternative. For liberals, making the case for local power gives you some credibility; it shows you know big government doesn't always work and that you are a reasonable person able to confront what's wrong with your philosophy.

What unites the two is best thought of as the "Think Globally, Act Locally" view, the inevitable product of the skepticism toward government. Its latest, best articulation comes from Lamar Alexander, the former Tennessee governor who is driving across the country in a pre-presidential campaign. "Nearly everyone I have stayed with," says Alexander, "believes the answers are to be found at home—in the shops, living rooms, diners, community centers, churches, synagogues, and classrooms of America, and certainly not in Washington, D.C."

Whatever the surface common sense of

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Alexander's case, as a Southerner he should know better. Had the answers been left up entirely to towns and states in the fifties and sixties, Jim Crow might never have been taken on; the great civil rights victories resulted from the national community imposing its will on recalcitrant smaller institutions, like the states of Mississippi and Alabama.

So young liberals might be surprised to learn that when they argue that power should lie with grassroots groups (as they did in the debate leading to the creation of Clinton's AmeriCorps), they are associating themselves with one of the oldest strains of American conservative thought. The assumption of this approach is that the national capital is only good at writing checks. But some of the most successful things Washington has done in this century has been to organize and mobilize young people—in the Civilian Conservation Corps, in the military, in the Peace Corps. Moreover, one reason the public is so skeptical of government is the undeniable failure of many of Johnson's War on Poverty programs—nearly all of which were run by local groups receiving checks, not orders, from the federal government. In an example unearthed by Nicholas Lemann, the Newark, New Jersey, arm of the War on Poverty spent part of its grant funding a play by Leroi Jones depicting Jack Benny's butler, Rochester, murdering a white man.

Still, most people, especially the young, don't know this long history. Aaron Knight, a twentysomething student in the graduate Women's Studies program at George Washington University, is a leader of Washington's Noodle Club, an informal network of young left-leaning activists. Yet even he bristles at the idea of a new CCC. "I see government as a necessary evil, but it doesn't work very well and can't work very well," he says. "I would like to see a lot of local power because that's the best way to make decisions." But not always.

Twentysomethings seem largely unaware that a good historical case can be made that the times America has been at its best—in combating the Depression, winning World War II, and building the great postwar middle class—have been times when the central government has been trusted and carefully tended to. (Note the connection: Common sense suggests that any institution, whether it's the FAA or IBM, requires constant attention to make it work.) And by "government," I don't mean something utopian or weird or even unfamiliar. This is the point that liberals and moderates and conservatives have to understand: Government is how a democracy organizes itself and decides how to deal with large problems, whether it's the education of the young, the safety of our food, or the defense of the nation. Arguing that government can work is not some nutty, lefty reflex to defend broad public enterprises, though to watch the talk shows and listen to successful politicians these days, it certainly seems so.

What's missing today is an acknowledgment that government, in this sense, can be a useful tool to get certain things done. It wasn't always this way, though. From the thirties to the mid-seventies, for example, because they had a greater sense of belonging to a national community, rich Americans were willing to pay higher taxes (the top rate, now 38 percent, was 91 percent under Truman, Eisenhower, and Kennedy) and most American men, in the democratic military draft, gave up a couple of years of their lives to serve.

But try to talk about smart government now—recount how, say, the CCC rescued unemployed youths or how the REA brought electricity to rural America in the thirties—and people tend to drift to another part of the room. (That's understandable, but the point is how little interest there is in finding out about government programs that have worked.) The young are supposed to have a capacity for hope that we can do better—the young of the thirties and the sixties surely did. Today's crew does not believe that.

The most revealing case study of how these trends—distrust of government, self-centeredness, and little awareness of what well-executed public action can accomplish—play out in real life is the student lobby's near-wreckage of key provisions in Clinton's revolutionary student loan reform. [For more on this issue, see Steven Waldman's article on page 27.]

To make college more affordable, the Clinton administration, in 1993, proposed having the government loan money for school directly to students. (It costs the government half what the private sector charges to make a loan.) The United States Student Association, a lobby

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which boasts members on campuses in every state, fought for this direct lending, attracted by the lower interest rates and reduced fees that would result. Government, in that sense, was fine with them. Part of Clinton's reform was making the rate of loan repayment contingent on a graduate's income rather than sticking the student with high set payments. Better thought of as "pay-as-you-can" reform, this means students with large debts can go into low-paying but useful work and still make good on their loans, only over a longer period of time. A marvelous idea, and one of the great social reforms since the GI Bill first threw open the doors of college to millions who could not have paid for it otherwise.

To make this work, however, it is critical to have the Internal Revenue Service in charge of collecting the loans. The IRS has the means to do it (just about everybody files a tax return), the ability (there's already a line on the standard 1040 that could be used), and is in the full-time business of tracking and collecting what people owe. And when it comes to student loans, repayment is not a side issue: From 1988 to 1993, Washington had to eat $14 billion in defaults. Why? Because the banks who, under the old system, contracted with the federal government to loan students money, had no incentive to collect because Washington guaranteed the deal. So if you don't have the IRS involved, you leave collections in the incompetent hands of the Department of Education and its contractors, meaning money that could be helping students could be lost.

The twentysomethings who lobbied Congress about student loans, however, weren't interested in making government—which they gladly dun for grants and loans that are hard to collect—work. On Capitol Hill, students testified against the IRS provision and ginned up letters from key states and districts. At one hearing, USSA entered this into the record of the Senate Labor and Human Resources Committee:

"Where are students supposed to turn to for counseling and information on their student loan repayment options and problems? The IRS? The current system is far from perfect, but at least students can work with their lender on deferment and forbearance options. Will the IRS provide counseling?"

What did USSA want? More federal grant money. "USSA would say if you want to end the default rate, why doesn't the federal government give more grant money so that students don't have to borrow so much?" asks 22-year-old Laura McClintock, USSA's president. "You don't default on grants." So a premier activist group, made up of students, wants the government in the game enough to take money from Washington but not enough to make repayment—a reciprocal responsibility that conservatives, with their Burkean tradition of self-reliance, should love—more reliable and more humane. Sounds like every other kind of interest group, liberal, conservative, and in-between: Give us ours, but don't ask us to give anything back.

In the end, because the House Ways and Means and Education and Labor committees could not resolve the issue, the IRS role was banished to a study group of Treasury and Education officials, from which it has, more than a year later, not yet emerged. But pressure from the group all this is supposed to help—the students—could force the issue out into the light of day where the president could rally support to break the bureaucratic logjam. But there was—and is—no such pressure. Instead, students, like Western ranchers or trial lawyers or any other narrow interest group, are guarding their turf at the expense of good ideas.

What would prevent this? A willingness to trust government with collections (after all, when it came to the government writing the checks, there was plenty of trust); a concession that students, in exchange for benefits, should be willing to pay the system back; and finally a sense of history, the appreciation that a new GI Bill could work wonders to make college more accessible and graduates' choices later in life less directly tied to money.

A generation that could see these points is what we want, but it is not what we have. Turning this around will take nothing less than breaking the mental blocks about government that most Republicans and even many Democrats have. Once those blocks are broken—once people understand that government is a way to solve problems we all want solved, not an automatic evil—then the fog may lift, and perhaps—just perhaps—it will once again be cool to *believe*. □

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How Washington Tries to Strangle Even the Best Ideas

The inside story of how a bill became a law shows how the capital's self-interested forces nearly derailed one of the most important reforms since the GI Bill

BY STEVEN WALDMAN

In September 1991, Bill Clinton unveiled what would become one of the most consistently popular applause lines of his presidential campaign. "Opportunity for all," he told the Democratic National Committee, "means giving every young American the chance to borrow the money necessary to go to college and pay it back. . . ." Before he could get to the next part, the audience interrupted him with applause. "Pay it back as a percentage of income over several years, or with years of national service here at home—a domestic GI Bill." Again Clinton was interrupted by the Democratic activists. "A domestic GI Bill that would ask young Americans to go to the streets of our cities and be teachers, to be policemen where we need community policemen, to be nurses where there's a nursing shortage, to be family service workers where families are breaking down and children are abused and neglected, to rebuild America from the people point of view. We can do that with a national service."

Just two years later, Clinton signed the law that created AmeriCorps, which will in its first year put more young people into service than the Peace Corps had at its peak. But what of the other part of that stump-speech line, the cryptic mention of college loans that could be paid back "as a percentage of income over time"? This, too, became law—and may end up being one of Clinton's most important social policy legacies. While national service will touch tens of thousands of people, student loan reform will touch millions.

Yet the Washington press corps paid almost no attention to the legislative fight over college loan reform. That's a shame, because it provided a memorable case study of how and why the bureaucratic, interest group, and political forces of the capital so often sabotage even the best ideas.

The cost of a college education increased faster in the eighties than that of cars, food, or houses—and far faster than family income. College costs now take up more than one in every five dollars a family earns—up from one in seven in 1980. During the same period, America revolutionized the

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way it finances college: In the seventies, two-thirds of all aid came in the form of grants; today, two-thirds comes in the form of loans. Few public policy developments have been as sudden, massive, and negligibly acknowledged. (If the significance is not clear, consider the difference between someone giving you a car and lending you the money to buy one.)

The college cost explosion has begun to undermine some basic American principles. From 1982 to 1989, the percentage of private college and university students from wealthier families jumped from 50 percent to 63 percent. The 30-year trend of expanded opportunity, inaugurated by the GI Bill after World War II, has begun to reverse.

Income-contingent loans—or pay-as-you-can loans, as I'll call them—can change the decision calculus of a low-income high school student. Right now, he might look at loans and decide that college is not a sensible wager. His time horizons are short, and he finds it nearly impossible to envision a future lucrative enough that he could pay off a loan. He sees around him men and women enslaved by shady high-interest loans and few instances of high-wage, well-educated workers. Others in low-income communities might have developed an entitlement mentality that makes them eschew loans and "wait" for grants. In either case, with a pay-as-you-can loan, the government can say: "You have no excuse not to go to college. If you take out a loan, graduate, and still earn nothing, you will pay nothing. But if education pays you dividends, as it does for most people, you will have plenty of cash with which to gratefully repay society."

The benefits are not limited to the poor. Consider middle-class parents who know that their daughter could get into a top-tier private school but fear they can't afford the tuition. Under pay-as-you-can, their child can take out loans knowing that if she doesn't rake it in, she will still have affordable payments.

Yet for all the potentially revolutionary effects on access, what appealed most to Clinton about pay-as-you-can loans was the connection to service. He believed that more college students might have pursued careers in teaching, social work, or law enforcement over the past 15 years had they not been so loaded down with debt. Clearly, debt levels have affected a range of life choices. In 1985, 32 percent of all college graduates said debt pushed them to rent, not buy, housing; in 1991, 47 percent said so. In 1985, 25 percent said debt forced them to work two or more jobs; by 1991, almost 40 percent said it did. The average indebtedness of medical students, for example, rose from $14,622 in 1979 to a staggering $45,840 in 1990, increasing pressure on graduates to enter high-paying specialties such as dermatology rather than less profitable but essential fields like family medicine or pediatrics. So the Clinton loan reform really had an extraordinary premise: Government should make it easier for people to earn less. As Clinton said in 1993, "People are not free if they cannot take advantage of what the Almighty gave them." Ronald Reagan said that if he could get government off our backs, Americans would show their innate creativity and economic energy. Clinton's college-aid reform suggested that if government could get financial debt off their backs, Americans would be free to serve others.

The Money Chase

Heather Doe is a fictitious college student. She's a junior at Paiselley College, where she studies semiotics, feminist architecture, and literature of the Amazon. After graduation she hopes to do something socially useful as long as it's not too hard.

Heather's father is a junior executive at a major biotech firm, and her mother manages a local franchise of Mail Boxes, Etc. Together the Does earn $80,000, not quite enough to cover Paiselley's $25,000 tuition and expenses. The school gave Heather a $7,000 grant, plus a $1,000 scholarship from the local church, and her parents put up $11,000. For the rest, she went to her local bank, Union National Federal, and got a $5,000 Stafford loan. She took out loans of varying sizes all four years of college. The Stafford loan has three advantages for Heather. Because the loan is guaranteed by the federal government, she gets a low interest rate (6.2 percent in 1993); she doesn't have to provide collateral; and she doesn't have to pay the interest that accrues while she's in school. After graduation, she will pay $230 a month for 10 years to retire her $20,000 debt. Union National Federal executives like the Stafford loan, too. They know that if Heather flees to Nicaragua to work in the coffee fields and defaults, the U.S. Treasury will cover the debt.

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Until the sixties, banks had been understandably reluctant to loan money to students: They had no jobs, no credit history, no collateral, no proof of future earnings, and strange haircuts. Congress, however, wanted young people to go to college anyway. It passed the Higher Education Act of 1965, which gave special incentives—the interest subsidy and the loan guarantee—to those banks willing to help. Within two decades, student loans became highly profitable, more consistently lucrative than even mortgages or car loans.

To further ensure that banks would provide loans, Congress created a complex network of backup entities to give lenders a comfortable arrangement. A system of state-sanctioned "guaranty agencies" would collect defaulted loans, so banks wouldn't have the hassle. If Heather defaults on her loan, Union National Federal would be reimbursed by a guaranty agency which—follow the bouncing check—would be largely reimbursed by Uncle Sam. That guaranty agency would send collectors after Heather. If the guaranty agency succeeds in getting her to cough up the $20,000, they are allowed to pocket $6,000 of it. This is on top of a one percent fee they collect for every loan they guarantee. Like the banks, these guaranty agencies, some run by state governments and others operated as non-profit companies, bore little risk.

In 1972, Congress decided that Union National Federal shouldn't have the bother of holding on to Heather's loan, even if she wasn't a deadbeat. They set up a federally chartered corporation called the Student Loan Marketing Association, a "secondary market" better known as Sallie Mae. As soon as Heather graduated, Union National Federal could sell her loan to Sallie Mae and never deal with collections at all. As of 1992, Sallie Mae held $20.8 billion in loans—one-third of all those outstanding.

The system has become a classic example of what columnist Michael Kinsley calls capitalizing profits while socializing risk. The financial players earn the profits while the public takes the risks. And Sallie Mae does seem to be doing awfully well for a quasi-governmental entity. Its luxurious Georgetown offices have the power-quiet of a major law firm; its corridors are decorated with immense modern paintings and sculptures bearing names like *The Drama of Space* and *The White Peacock*. The glass doors never seem to have fingerprints. The president of the United States appoints one-third of Sallie Mae's board of directors, and yet its stock is traded on the New York Stock Exchange and its CEO, Lawrence Hough, earned $1.3 million in 1992.

By 1993, the system had become so jumbled, Rube Goldberg himself would have had to hire an efficiency consultant to figure it out. There were roughly 8,000 lenders, 50 secondary markets, and an equal number of guaranty agencies. A diagram of the current student-aid system resembles a pinball machine, with loans getting bounced helter-skelter among students, schools, guaranty agencies, secondary markets, and the Department of Education. At large schools that draw students from all over the country, a financial aid officer had to deal with hundreds of different entities to keep track of the loans. The U.S. Treasury paid $6 billion in subsidies in 1992 to generate $15 billion in loans. That's a lot of "overhead."

What does all this have to do with Clinton's primary concern, pay-as-you-can loans? Most analysts who had tried to devise flexible repayment plans concluded that it couldn't be done through the banks. For one, the collections would have to be done by someone with accurate, up-to-date information about how much a graduate was earning. Only one entity fits that description—the IRS. Second, pay-as-you-can loans would complicate life for the banks. And the banks had made it clear over the years that any new burdens would drive them into simpler lines of work.

If the government was going to switch to pay-as-you-can loans, then, it made sense to adopt simultaneously another radical reform: eliminating the entire student-aid industry and adopting "direct lending." In other words, the government would give money directly to Paiselley College, which would then give it to Heather. She would repay the IRS at tax time. No banks would be necessary to originate the loan, or collect the payments; the secondary markets and guaranty agencies could eventually curl up and die.

John Dean was not happy about Clinton's plan to "scrap" the student-aid system. Dean, who must occasionally introduce himself as "John Dean, not the Watergate felon," is the Washington lobbyist for the Consumer Bankers Association,

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representing more than 500 banks with a direct stake in the federal student-loan program.

Unlike high-profile Washington influence peddlers such as Michael Deaver, Dean is a more nuts-and-bolts—and often more effective—Washington lobbyist: a former Republican congressional staffer with enough expertise not just to visit with the congressman but to write his speeches and draft his legislation. During the 1992 campaign, while most of the world was following whether candidate Clinton had time to bed a lounge singer in between jogs, Dean monitored every word he uttered on student loans. At several points, Dean sent copies of speeches, debate excerpts, and newspaper articles to banks around the country to alert them to impending troubles. Once Clinton won, Dean slipped questions to key Capitol Hill staffers so senators would ask about direct lending at the confirmation hearings of Clinton's appointees.

Clinton's election also awakened the guaranty agencies. Daniel Cheever was president of the American Student Assistance Corporation (ASA) in Boston, the main guaranty agency of New England. Cheever had just joined ASA after being president of Wheelock College in Boston, and thought the current student loan system was a mess. But he also realized that Clinton's plan involved direct lending, which potentially meant ASA's extinction. So ASA hired the Widmeyer Group, a Washington-based public-relations firm. In January 1993, ASA formed a coalition with two other major guaranty agencies to block Clinton's student-loan reform which, in the grand tradition of lobbying doublespeak, they named the Coalition for Student Loan Reform. The two other agencies, based in Ohio and Indiana, would handle the heavy-duty Washington lobbying; ASA's Cheever would be in charge of "message."

Cheever had several attributes that suited him well for that role. As a former college president, he had credibility. More important, Cheever had ties to Senator Ted Kennedy. ASA handled most loans for students in Massachusetts. This would be quite handy, because the committee Kennedy chaired, Labor and Human Resources, had jurisdiction over national service and student-aid reform. Cheever had gone to high school and college with Nick Littlefield, Kennedy's chief of staff for the Senate Labor Committee. Finally, one of the people put on the ASA account at the Widmeyer Group was Lori McHugh-Wytkind, a former Kennedy aide.

By mid-January, rumors started circulating that the administration was going with full-scale direct lending. This sent the banks into a minor panic. Sallie Mae's stock began diving. On February 17, Clinton released his first budget, which included a switch to direct lending. The next day, terrified traders on Wall Street dumped so much Sallie Mae stock that the New York Stock Exchange had to halt trading.

Frantic, executives hired more and more Washington lobbyists—particularly lobbyists with Democratic Party connections. The student-loan lobbying roster read like a seating chart at a Democratic fund-raiser.

The USA Group of Indianapolis, the largest guaranty agency in the country, hired Akin, Gump—the lobbying firm of "Mr. Democrat" Robert Strauss, the former chairman of the Democratic Party, and Vernon Jordan, head of Clinton's transition operation. The firm assigned the account to Kirk O'Donnell, a former top aide to Tip O'Neill. USA Group also hired Walker/Free Associates, run by James C. Free, a former Carter White House official and Clinton golf partner.

The New England Student Loan Marketing Association, the secondary market that buys up many student loans from New England banks, hired Patton, Boggs & Blow, former law firm of Ron Brown, the ex-Democratic Party chief who had become Clinton's secretary of Commerce.

The Student Loan Funding Corporation of Ohio, a major secondary market, hired the firm of Powell Tate, founded by former Carter press secretary Jody Powell, as well as Winston Strawn, a Chicago-based firm that once housed Walter Mondale. Winston Strawn assigned the account to Dennis Eckhart, who had until a few months earlier been a congressman from Ohio.

But no one had more lobbying clout than Sallie Mae, which pulled together an all-star team of great Washington influence-peddlers. Following Sallie Mae's stock crash, CEO Hough decided they would have to be extremely aggressive. "When you lose $3 billion in wealth you can't just say to shareholders, 'Hey, don't worry,'" Hough said. "You have to *do* something." The company retained Harry McPherson, special counsel to President Lyndon Johnson and a top

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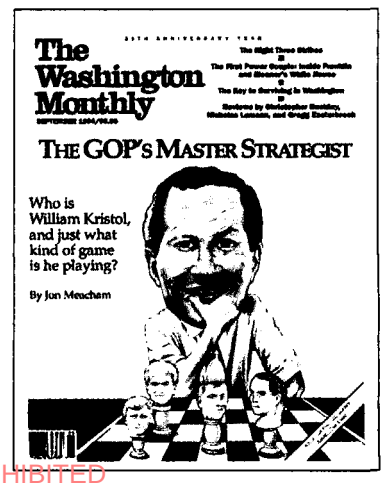

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Washington rainmaker, who got Hough an appointment with Al From, the Democratic Leadership Council founder, who was heading up Clinton's domestic policy transition team. To lobby the White House, it hired former Carter administration official Anne Wexler and her colleague at the Wexler Group, Dale Snape. On one occasion Wexler enlisted the help of another of the firm executives, Betsey Wright, a close Clinton aide in Arkansas for years and arguably the most plugged-in lobbyist in Washington. Perhaps Sallie Mae's most important asset was Jerry Hultin, the man who had run Clinton's campaign in Ohio and was a friend of the president's and of Hillary's from law school. Hultin accompanied Hough to several meetings with key Clinton administration officials.

Bill Clinton assigned scrapping the existing student-loan system to two savvy, professional politicians: Secretary of Education Richard Riley, who had overcome a devastating physical disability to become one of South Carolina's most popular governors, and Deputy Secretary Madeleine Kunin, a three-term governor of Vermont.

One of the first things Kunin did when she arrived in Washington was read the General Accounting Office report on the Department of Education, which stated that the student-loan program was at "high risk" of catastrophe because of colossal management problems. "So *this* is what we've gotten ourselves into," Kunin said to Riley the next time they met. Riley and Kunin soon found out that some Department of Education staff—i.e., the bureaucrats—had no desire to throw out the student-loan program with which they had become comfortable, and had serious doubts about whether ability-to-pay loans and IRS collection could work. "Like any bureaucracy, they had built relationships with existing players," Kunin said later. The permanent staff at the Office of Management and Budget believed it would be nearly impossible to administer a massive income-contingent loan program. And the IRS careerists feared that handling student loans would drain resources from their mission of collecting taxes. At least, Riley and Kunin thought, they could count on support from the colleges. But that, too, turned out to be a false assumption.

Higher education is represented in Washington by more than a dozen trade associations, each with a specific constituency—big state schools, private colleges, community colleges, trade schools, financial aid officers, Jesuit schools, and medical schools. Each had a slightly different reason for disliking the Clinton plan.

The private schools, as represented by the National Association of Independent Colleges and Universities, loved ability-to-pay loans because the loans would help students afford their higher tuition. But they seriously doubted the Education Department could manage a "direct lending" program. Under direct lending, the department would put up the cash for Heather Doe's loan and Paiselley College would be responsible for disbursing it. College officials were nervous about taking on that role, particularly in partnership with the notoriously incompetent Education Department, which, among other things, had never quite figured out how to keep track of millions of outstanding loans.

And the American Association of State Colleges and Universities (AASCU), which represents large public schools like the University of California and the State University of New York, had concerns that ran opposite to those of the private colleges. AASCU officials liked direct lending, but distrusted ability-to-pay loans and national service loan forgiveness.

Staff Infection

Why would schools dislike easier repayment terms? The large public schools viewed not loans but Pell grants—the no-strings-attached scholarships for the poor—as the key to maintaining broad access to school. After 15 years of deficit-driven politics, they looked at student-aid budgets as a zero-sum game: Loans go up, grants go down. And under Bill Clinton, loan volume could explode.

Clinton's most important ally was 31-years old, wore sandals to the office whenever possible, kneaded Silly Putty to release tension, and worked for a man with very long earlobes. Bob Shireman was the education aide to Senator Paul Simon of Illinois, who would lead the Senate fight for ability-to-pay loans and direct lending.

Shireman joined Simon in the fall of 1989, and immediately started searching for an issue with which he could make his mark. He settled on income-contingent loans and direct lending. This change, he insisted, could save billions of dollars and help poor and middle-class families. The idea, Shireman wrote Simon, also had one major tactical

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advantage: an easy-to-demonize foe—the banks. Sure, there'd be a fight, but "without a fight," Shireman said, "there is not media attention."

Simon didn't warm to the idea at the time, for fear that it had too many technical problems. But a year later, he was breezing though the *Congressional Record*—he is one of the few senators, in fact, one of the few human beings, who reads it cover to cover—and came across a statement from Republican Senator David Durenberger of Minnesota advocating direct lending and income-contingent loans. Simon tore it out, and scrawled on it, "Talk to me, Bob." Simon decided he wanted to team up with Durenberger.

In January 1993, Clinton was on the verge of deciding whether to embrace Simon's direct-lending approach—and Shireman was busy turning up the heat. He and his colleagues had already succeeded in putting the industry on the defensive. In January, Simon's press secretary, David Carle, got Jack Anderson and Michael Binstein to do one of their syndicated columns on the "middleman racket" run by Sallie Mae. Sallie Mae officials, wrote Anderson and Binstein, "recently traveled to the home of one transition official to make the case for the status quo." The column implied that the lobbyists had showed up at the doorstep in the middle of the night (actually, domestic policy advisor Bill Galston had invited them to his Washington house).

Then Shireman got a delicious opportunity. He learned that John Dean's Consumer Bankers Association and another group representing guaranty agencies planned to hold a "Lobby Day" on March 2. Local bankers were to come to town, learn about direct lending, and then visit their congressmen. Shireman and Carle organized a campaign to highlight the lobbying "onslaught." Shireman drafted a hard-hitting letter to senators warning that the greedy bankers would soon be in their midst. Carle contacted reporters with the urgent tone of a botanist alerting colleagues that the 37-year cicadas were emerging from their pods.

By the day of the event, a flustered John Dean had stopped calling it "Lobby Day" and began insisting it was a "legislative workshop." Although Simon's crew had conjured images of high-powered influence peddlers descending like vultures, most were the mid-level bank executives who deal with the student-loan program. Imagine their confusion when they discovered three camera crews, with brilliant lights, taping their arrival at the Holiday Inn Crowne Plaza in downtown Washington as if they were mobsters testifying before a grand jury.

The consumer bankers distributed a 13-point tip sheet on lobbying, which mostly suggested common courtesies—"Always say thank you"—but did recommend campaign contributions and other signs of thoughtfulness. "If your legislator has won a victory for your industry, it is not uncommon to send key staffers flowers or tickets to the theater with a polite note of thanks. . . . "

Meanwhile, direct-lending advocates gathered in the Senate Radio and TV Gallery to denounce the sinister lobbyists before a packed press conference. The tactic worked magnificently. "More than 100 bankers flocked to Capitol Hill last week in an effort to combat President Clinton's plan to overhaul the government's student loan program," began *The Wall Street Journal* story about direct lending. "The MacNeil/Lehrer News-Hour" ran a piece a few days later that was so anti-industry that it used illustrations of little green money bags to illustrate the bloated salaries of Sallie Mae executives.

The student-aid fight showcased all of the colorful species of lobbyists in the special-interest aviary. In 1993, 15,000 people worked as lobbyists; many had passed through the "revolving door" from government to the private sector. This oft-noted practice creates what is truly one of the most significant forces in Washington. The press has reported odious examples of experts cashing in on friendships or knowledge of the system (as in the case of a U.S. trade representative who went to work for the Japanese government). While this certainly happens, the higher-education community involved in the student-aid reform battle illustrates a subtler variant of the phenomenon—what might be called the "cousins-marrying syndrome."

There's often something to be said for cousins marrying. They have similar backgrounds, overlapping guest lists at the wedding, etc. But society discourages inbreeding because it spawns kids with three eyeballs. The problem with a community like higher education—where staff regularly moves from the Hill to the Department of Education to trade associations—is not corruption but, potentially, stale thinking and stasis. Objectivity in policy making becomes more difficult. For instance, is the Hill staffer who knows he some day wants to work for the college association going to

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deny it money in the legislative process? Does the Education Department staffer who knows he'll be having drinks Tuesday night with the college lobbyists want to sign off on a policy that will hurt the organization represented by his pal near the nachos? Was the department so focused on direct lending—as opposed to ability-to-pay loans—because the higher-ed lobbyists were? Were they living in an echo chamber, hearing only their own voices?

The most significant lobbying trend of the nineties, however, is not the revolving door or influence-peddling or the cousins-marrying syndrome. It is organized grassroots lobbying. The phrase conjures images of Ralph Nader interns in cutoffs and solar energy T-shirts pounding on doors during their summer vacations; but in the eighties and nineties, private industry borrowed the techniques pioneered by environmental and public-interest activists to generate massive issue-oriented political campaigns. Even big Washington firms such as Patton, Boggs & Blow and Hill and Knowlton have developed "grassroots capabilities."

Primitive grassroots campaigns involve mobilizing the members of a group, as when the Consumer Bankers Association got banks to write legislators opposing direct lending. But many grassroots campaigns focus on getting credible, disinterested third parties to lobby for the client—a political bank shot. The student-aid industry realized it had little credibility with lawmakers, so the major players had others make their case for them. Who had the most credibility? Financial aid administrators, the grunt-level men and women who actually gave out the aid, dealt with students, and would have to implement a direct lending system. Sallie Mae sent "self-tutorials" to 3,000 schools so that they could estimate how much direct lending would harm their schools. Teams of technical experts visited dozens of schools and held misleading seminars with 1,000 financial aid officers on the effects of direct lending. They whipped out studies they'd done at other schools which—surprise!—determined that colleges would have to hire extra staff, buy computers, open new offices—at an average cost of $219,000 per year.

The blitz worked. On March 24, the Iowa Association of Student Financial Aid Administrators wrote colleagues, urging them to oppose full-blown direct lending. On March 31, the Florida aid officers joined them, and soon so did their colleagues from Kansas. By April 6, the Southern Association of Student Financial Aid Administrators had endorsed a go-slow approach on behalf of officers in nine Southern states. Joe Russo, the financial aid director at the University of Notre Dame, circulated a daunting paper called "Ninety-five Questions to Help Plan the Direct Loan Program." In many cases, the financial aid administrator at a college opposed full-blown direct lending, while the president of the same school supported it.

What would prompt the lowly financial aid officer to buck the president of his or her own school? College lobbyists grumbled that it was a case of simple corruption: The aid officers had been bought off by Sallie Mae, the guaranty agencies, and the banks, which often helped finance the aid officers' annual conventions. To prove that claim, the lobbyists faxed around leaflets showing that USA Group, the largest guaranty agency, sponsored the "Fiesta of Spicy Cuisine and Mariachi Music" at a San Antonio convention of aid administrators.

The aid officers had also developed loyalty to the industry players for practical reasons. As colleges cut financial aid office budgets, it was Sallie Mae and the banks that often came to the rescue with new computer software and training programs. The aid officers looked at it this way: Maybe direct lending would work, maybe it wouldn't. But if it didn't, the results would be catastrophic for students and schools, and aid officers would be the ones to get blamed—and this time they wouldn't have Sallie Mae to back them up.

In April, ads began appearing in college newspapers around Ohio from a group called Students for Loan Reform. THE GOVERNMENT NEVER ASKED FOR YOUR OPINION, BUT DON'T LET THAT STOP YOU, said the headline. The ad stated that the new loan program "could mean increased tuition, reduced student programs, and more government red tape. (Maybe even the IRS collecting our loans.) What's worse, if the program fails, you could be without means of getting money for college." The ad listed an 800 number; students who called it were patched immediately through to their senators' offices. It turned out that Students for Loan Reform was set up and financed by the

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Ohio Student Loan Corporation, the secondary market in Ohio, and one of John Dean's clients.

Shireman knew that the best way to counter the industry's grassroots efforts was to organize his own. In the modern legislative process, senators regularly push their own legislative agenda by generating political activity in the states of other senators. They realize that their colleagues, as friendly as they might be, would more likely listen to their constituents than to a senatorial golf buddy. On May 26, Shireman brought a dozen key education lobbyists to a conference room in the Dirksen Senate Office Building to plot how to "reach" each senator. "Let's go through the Senate Democrats by state," Shireman began. "Heflin and Shelby. I met with Heflin's staff a few days ago. He's close to the banks in his state. He's worth some contacts. Does anyone have any ideas?"

Is the Hill staffer who knows he some day wants to work for the college lobby going to deny it money in the legislative process? Does the Education Department staffer who knows he'll be having drinks with the college lobbyist want to sign off on a policy that will hurt his pal by the nachos—and who might one day give *him* a job?

"There are two black colleges in Alabama," said Joyce Payne of the National Association of State Universities and Land Grant Colleges, which represents many large state universities, including public historically black colleges.

"Mikulski," Shireman continued. "You can't tell by talking to her staffers."

"We should have a face-to-face with Mikulski," Nick Littlefield, of Kennedy's office, suggested. "We've got a meeting with 20 Maryland college presidents to get them warmed up," added Jane Wellman, the representative from the private colleges, the National Association of Independent Colleges and Universities.

But Shireman knew that one must take the utmost care when pushing a senator's buttons. He warned Wellman not to have Johns Hopkins University take a lead in the effort. "She doesn't like them," he said. "She likes Villa Julie or something," he added, referring to a small community college in Stevenson, Maryland. "Is Villa Julie going to be there?"

"Yes. We're getting the dinky ones to call her," Wellman assured him. At one point, Senator Simon entered the room, wearing a red bow tie, and sat next to Shireman. "I'm glad you're doing this," Simon said. "We have to understand that our friends on the other side are doing the same."

Simon rattled off a few suggestions on how to pressure particular senators. He suggested getting Bill Danforth, president of the Washington University in St. Louis, to call his brother, John Danforth, the Republican senator from Missouri. "I know him real well," Simon said, "but it really ought to come from you. The more grass roots you can generate, the better."

When Bill Ford, chairman of the House Education and Labor Committee, sat down to push the direct lending bill through, buried on page 59 of the "chairman's mark" was a one-sentence change that almost no one on the committee noticed, and no one in the press reported—yet it signaled one of the most significant retreats of the entire legislative process. A few weeks before the markup, the staff of the House Ways and Means Committee, which oversees the IRS, had read the Clinton administration's proposal for IRS collection, and, to use a common legislative expression, freaked out. The Ways and Means staff informed Ford and the White House that if anyone was going to change the responsibilities of the IRS, it would be Ways and Means, thank you very much. The administration could feel free to do "a

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study," and if the study favored IRS collection, the White House could make a recommendation to Congress. Then, and only then, the Ways and Means Committee would decide. The White House staff, never telling Clinton, who might have understood the importance of the provision and decided to fight for it, quickly backed down.

The problem was that the White House was relying on Ways and Means Chairman Dan Rostenkowski to push through much of its economic plan. Staffers didn't feel as though they could butt heads with him over something this seemingly small. Amazingly, no one in the administration argued the point with Rostenkowski. Ford's committee was happy to drop the provision, too, fearing—in the tradition of petty jurisdictional feuds—that if Ways and Means got involved, it would eat the whole national service-student loan enchilada.

But this tiny provision was crucial to the success of the whole reform. Without a significant IRS role, it would be difficult to do income-contingent loans and keep the program from turning into the hard-to-collect boondoggles other student loan initiatives had become. Only the IRS could accurately and efficiently assess a person's income and be sure to collect. "It was a lousy cave-in," said Joe Flader, a staff aide to Rep. Tom Petri, a Republican who had long pushed for ability-to-pay loans.

Over the next two months, the industry battled with direct lending supporters through committee markups, hearings, and floor votes. The Senate voted to try direct lending in half the schools and bank-based lending in the other half. At a climactic House-Senate conference, legislators haggled over the speed of a direct lending phase-in, how much money it would save the government, and how the banks would react.

In the end, the administration largely won what it had sought: authority to switch most colleges to direct lending over the next five years and to establish a pay-as-you-can loan system. The new loans allow individuals to make payments equal to four percent of their income if they have a $1,000 debt. The payment rate rises as the debt burden gets larger. A student with a $30,000 income and a $50,000 debt would pay $345 per month instead of $581 under the standard plan. Someone with a low income and a high debt could end up with a big chunk of loan outstanding at year 25—which the government would then wipe out. The one clear defeat for Clinton was his failure to get a major role for the IRS. A year after the bill's passage, the IRS and the Department of Education still had not come up with a plan for IRS collection. So the question remains: Will the administration's political failure on that one provision so hobble the program that the victory of pay-as-you-can loans will be meaningless?

Remarkably, none of these important changes had been discussed in the legislative process. Not one senator discussed ability-to-pay loans at the hearings or markups. What little press coverage there was invariably focused on direct lending. The administration merely sought a few general statutory sentences giving them authority to construct a new repayment system. And that's what they've got. How could that be? With all the acrimony and conflict in Washington, why was there no public battle over this major shift in education policy? Why does so much conflict seem to focus on the least important elements?

First, the White House and the Department of Education clearly avoided being explicit on controversial issues. It was their political judgment that they could not get either piece of legislation passed otherwise. They may have been right. And that points to a great misunderstanding about "gridlock" in Washington. The problem is not that Congress is incapable of passing laws, but that it is so easy for small groups of people to block or distort legislation that those pushing reform readily agree to self-defeating compromises.

More important, interest-group politics drove the process away from issues of most concern to the broad public. Direct lending became the dominant issue because plump oxen were being gored. The financial industry fought, the direct lending proponents fought back, the press covered the conflict—and important questions of education policy got ignored.

Clinton's student aid reform is one of the most important presidential initiatives in decades. It attempts not only to put more cash in students' hands, but to change the incentive structure that governs a young American's life choices. It's a shame that such an enlightened policy had to be devised under cover of darkness. □

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America's Richest Media Tycoon

What do Vanity Fair, *JFK, Roy Cohn, and Ronald Reagan have in common? They are owned by, owed, or owe Si Newhouse*

BY SANDRA McELWAINE

Newhouse
Richard Maier, *St. Martin's Press, $24.95*

For media junkies, Richard Maier's unauthorized biography of the secretive, enigmatic publishing tycoon S.I. Newhouse, Jr. is a titillating read. Filled with glitz and glitter, it is a rags-to-riches saga that offers a rare glimpse into the country's wealthiest and most influential communications empire, one which includes two dozen newspapers; 40 Condé Nast magazines, including the glamorous *Vanity Fair* and *The New Yorker*; *Parade*, the massive Sunday supplement; the nation's largest publishing group, including Random House, Crown, and Ballantine; and a variety of lucrative broadcast properties.

It is also a story about the tumultuous life and career of an obsessively shy, awkward man who suffered under a domineering father, but doggedly expanded his enterprise into a $13 billion privately owned company. Maier describes how, over the years, S.I., Jr., known as Si, transformed himself from a recluse into a powerful executive, an arbiter of taste and a potent force in the worlds of politics, journalism, fashion, literature, and art. (His modern art collection alone is valued at $100 million.)

Carefully researched and crammed with details (sometimes excessively so), Maier, a former reporter for *New York Newsday,* paints an intriguing portrait of the ambitious Newhouse clan and their rise from poverty in the early 1900s to the pinnacle of the New York jet-set society in the seventies. (Their acquisition of Condé Nast with its stable of hip, slick magazines like *Vogue, Glamour,* and *House and Garden* definitely added to their appeal.) Their ascent began in 1922 when Sam Newhouse, Sr. purchased a failing Staten Island newspaper to form the base of what was to become his mammoth Advance Publications. It reached its zenith with the hostile takeover of the prestigious *New Yorker* in the go-go years of the eighties.

Aspiring to be masters of the media universe, the Newhouses gained a reputation as masters of the bottom line, so ruthless in their pursuit of newspaper profits that they left a trail of fear and havoc in their wake. Working behind the scenes was the notorious Roy Cohn, Si's best childhood friend. Cohn, who bore the title of special counsel to the family and served as a political fixer, influenced various editorial policies. In the early sixties, JFK, over the strong objections of Bobby Kennedy, used Cohn to plant a favorable editorial about Congressman Hale Boggs, who was in political trouble, in his hometown paper, the New Orleans *Times-Picayune.* Cohn sought no quid pro quo, but hoped his intervention would help get Bobby, who as attorney general was looking into Cohn's sundry dealings, off his back. To Cohn's dismay, Bobby persevered.

Sandra McElwaine is a Washington-based journalist. She has been a contributing editor to Vogue, *but has never met Mr. Newhouse.*

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During the Reagan years, Cohn used *Parade* to promote both himself and the president. First, he wrote a bizarre article entitled "You Can Beat the IRS" in which he instructed readers on how to fool the feds. As a result, the IRS filed a lawsuit against Cohn and his law firm. And to boost public confidence in Ronald Reagan's health after the 1981 assassination attempt, Cohn engineered a startling photo in *Parade* of the president vigorously lifting weights as if he were Charles Atlas.

Through another Newhouse property, the Cleveland *Plain Dealer*, Cohn, along with the mob, helped ensure Jackie Presser's election as president of the Teamsters Union. And when Si Newhouse wanted Norman Mailer to sign with Random House, it was Cohn who convinced the famous author to make a deal, even though Cohn and Mailer were from bitterly opposed political camps. Big bucks brought them together. To get what—and who—he wanted, Si, unlike his father, was willing to spend money. (Star editors enjoy hefty clothing allowances and subsidized housing.) Through a mutual friend, Cohn convinced the literary lion to write for *Parade* and, ultimately, to leave his longtime publisher for a $4 million contract with Random House. This well-publicized coup gave Newhouse the cerebral clout he was after.

Tina Brown and Si Newhouse

Randy Bauer/Galella

Prone to suicidal depression in his youth and a drop-out from Syracuse University, Si Newhouse seemed an unlikely candidate to succeed the family patriarch. Donald, his younger brother, who flourished in the newspaper side of the business, was considered heir apparent, but after years of tortured self-doubt, Si finally found a niche in the rarefied atmosphere of Condé Nast. A workaholic who still arrives at his office each day at 5:00 am, he managed to eclipse Donald after Sam's death in 1979; and through a series of bold acquisitions and risky start-ups, eventually established the largest communications fortune in America.

None of this was accomplished without *sturm und drang* and Newhouse garnered the nicknames "Si the Omnipotent" and "Lord High Executioner" for his series of messy firings. The list of decapitations is a veritable Who's Who of literary pooh-bahs.

Diana Vreeland, *Vogue*'s legendary editor, was shown the door when the magazine's circulation declined in the seventies. A decade later, her successor, Grace Mirabella, discovered she had been axed when she heard a television report naming Anna Wintour as her replacement. Louis Oliver Gropp, the editor of *House and Garden*, learned of his dismissal while vacationing in California. William Shawn, *The New Yorker*'s beloved chief, was eased out to make way for Robert Gottlieb, who was himself summarily canned five years later while traveling in Japan. Anthea Disney, the head of *Self*, knew she was history when Newhouse unexpectedly stopped by her home to break the news. Perhaps his worst decapitation was that of the veteran *Vogue* society editor Margaret Case. After 40 years on the job, at the age of 80, she went to work to find movers in her office. No one had told her she was fired. Distraught, she went home and threw herself out the window. "Change is change—it doesn't happen slowly," Newhouse once explained.

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With no board of directors to report to and accountable only to himself, Newhouse rules with what the author calls "a velvet fist." He does so with flashes of brilliance and the instincts of a river boat gambler. He invested more than $75 million to resurrect the defunct *Vanity Fair* and turned it into the journalistic and social Bible of a generation. After two unsuccessful editors, he was willing to entrust this faltering publication to a cheeky and talented young British journalist, Tina Brown. But Maier reports that despite the hype and hoopla she created, Newhouse decided to pull the plug only nine months into Brown's tenure. By pleading for time, publishing provocative photos of the Reagans' dancing tete-a-tete and, even more famously, of Claus von Bulow in black leather on subsequent covers, Brown earned a temporary reprieve. Her own story on Princess Di, who was photographed in full House of Windsor regalia, boosted newsstand sales by 100,000 copies and helped convince Newhouse to stick with the venture.

Several years later, when *The New Yorker* had lost much of its luster, Newhouse once again turned to the resourceful Brown to energize the venerable publication; but surprisingly, the celebrated editor played no role in naming her successor at *Vanity Fair*. To her chagrin, Anna Wintour, head of *Vogue* and a Newhouse favorite, pushed Graydon Carter, a creator of the irreverent *Spy* magazine for the post. He was catapulted into her slot. The ensuing infighting, which centered on who went with Brown and who stayed at *Vanity Fair*, plus their competing efforts to outshine each other by giving ever-more-lavish parties and garnering ever-more publicity, is amusing to read.

Maier clearly states he is not a fan of the Newhouses' style. He accuses them of being the first to blur the line between advertising and editorial and launching such marketing gimmicks as "outserts" and "advertorials"; of puff pieces for advertising and sucking up to foreign dictators, movie stars, and politicians when it served their purpose. He charges them with promoting celebrity and gossip over social responsibility; with cleverly avoiding a $1 billion tax bill; and with secretly closing down rival newspapers when threatened on their own territory.

Maier focuses heavily on the Newhouses' clandestine activities, but despite his carping, the Newhouse story is one of immeasurable success. Si has earned the title, "the most powerful private citizen in America." He has enlarged, improved, and expanded his original legacy and, most importantly, ensured its viability for the next generation. □

The Washington Monthly

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(Please note that only books published in 1994 are eligible.)

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Tidbits & Outrages

FOX ANNOUNCES TWO NEW SHOWS FOR ITS FALL LINE-UP: "BOUTROS'S ANGELS" AND "RED SQUARE 90210"

According to a poll recently conducted by the Times Mirror Center for the People & the Press, only 50 percent of Americans know that Boris Yeltsin is Russia's president, and only 13 percent know that Boutros Boutros-Ghali is the U.N. Secretary General; but 69 percent correctly identified television producer Aaron Spelling.

AND THE FIRST ANNUAL CLARENCE THOMAS JUDICIAL DISTINCTION AWARD GOES TO . . .

A Tennessee judge recently received a 30-day suspension after giving gifts of red lace panties folded into the shape of a rose to a court reporter, a clerk, an assistant public defender, and an investigator.

THE SAME RULES WILL BE IN EFFECT FOR THE MEDIA HYPOCRISY WORKSHOP

When the Academy of Television Arts and Sciences decided to hold a workshop on the media coverage of the O.J. Simpson trial, the panelists—a dozen or so news directors, reporters, and producers from all the major Los Angeles television stations—insisted on a news blackout of the event. A spokesman for the Academy explained that the panelists "didn't want to feel they would be getting into news bites."

THE FOUR FREEDOMS

Author Salman Rushdie recently called for cities around the world to provide havens for persecuted writers. "The idea," he told a meeting of the International Parliament of Writers, "is not only to ensure the writers' freedom to write, but to allow them to eat out, go dancing or pick up girls."

MAKE THAT FIVE

Washington, D.C., City Council Chairman Dave Clarke, who makes $81,885 a year, decided to seek reelection only after council members agreed to ask Congress to change the city's charter to allow the chairman to hold a second job.

NOW HE TELLS US

When asked by *The New York Times* to comment on Jimmy Carter's brokering of a nonproliferation deal with North Korea, Iran-contra figure Robert "Bud" McFarlane replied, "The process of contracting out your foreign policy to individuals who don't feel constrained to operate within any policy framework is a very worrisome methodology."

—Scott Shuger

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Snatching Modest Victory From the Jaws of Triumph

How Schwarzkopf's ego, Powell's ambition, and miscommunication on the ground failed to close the deal on a potentially decisive win

BY DAVID EVANS

The Generals' War: The Inside Story of the Conflict in the Gulf
Michael R. Gordon and Lt. Gen. Bernard E. Trainor, *Little, Brown, $27.95*

On March 3, 1991, General H. Norman Schwarzkopf met a delegation of Iraqi generals over coffee and bottled water in a dust-blown tent at Safwan, a junction just north of the Kuwaiti border, to negotiate the terms of the peace.

Kuwait was liberated. The Gulf War was over. One of the Iraqi generals, Lt. General Sultan Hashim Ahmad, wanted the U.S. Army divisions sitting triumphantly astride Highway 8 to withdraw from Iraqi territory.

"We are sure you know how much we paid . . . casualty-wise, I mean," Ahmad said, suggesting that Schwarzkopf should be flexible given the high price the Iraqis paid in blood.

"We are here to talk about now," Schwarzkopf interjected.

"I have just mentioned this for history," Ahmad replied.

Schwarzkopf said dismissively, "History will be written long after you and I are gone."

With publication of *The Generals' War* on the anniversary month of the war's beginning in January 1991, the history that Schwarzkopf said would be written long after he and the Iraqi generals were gone already is starting to come out. Michael Gordon, chief defense correspondent for *The New York Times,* and retired Marine Corps Lt. General Bernard Trainor tell a thoroughly researched tale, using many heretofore secret documents and drawing on extensive personal interviews with virtually all of the top American generals. The picture that emerges, to draw on Schwarzkopf's own football analogy for the campaign, was a "Hail Mary" that had the other team in retreat, but didn't score a touchdown.

The Republican Guard divisions, which Schwarzkopf had sworn from the beginning were to be destroyed utterly, instead escaped. Battered and mauled, they streamed north out of Kuwait. These linchpins to Saddam Hussein's power were able to reorganize and crush the Shiite and Kurdish rebellions that broke out in the immediate aftermath of the war. Indeed, some of those same Iraqi divisions would threaten a second advance into Kuwait in 1994, prompting a hasty American troop deployment into Kuwait to deter them. *U.S. News & World Report* had it right shortly after the war when it published a cover story on the Desert Storm campaign titled "Triumph Without Victory." The American-led coalition forces had executed a stunning 100-hour blitzkrieg to liberate Kuwait. The triumph is

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indisputable. The victory, though, was fleeting.

Now, with the publication of this superb and gripping history, we have a much better appreciation for the achievements and failures of American generalship in the Gulf War. The support and miscues of the generals' political masters are told here as well. George Bush gave the military all the forces it requested to crush the Iraqi army, but in the crucial hour of decision, when the Army's leading divisions stood poised like an enormous coiled spring to smash the retreating Republican Guard divisions north of Basra, the president ended the war. It wasn't a pack of noisy, scribbling journalists who robbed Schwarzkopf of decisive victory; it was his own commander-in-chief. Gordon and Trainor chide Schwarzkopf, no shrinking violet, for not being more forceful in requesting another 24 hours to finish the job.

Scott Gordley

To be sure, Schwarzkopf was under pressure to end the war and avoid the specter of Western forces slaughtering a fleeing Arab army. However, he had been asked point-blank by General Colin Powell, chairman of the Joint Chiefs, who was on his way to a meeting with Bush about the decision to end the war, if he had achieved all of his objectives. Schwarzkopf said that he had. If he was robbed of complete victory, Schwarzkopf picked his own pocket.

However, Schwarzkopf did not have a clear view of the situation. The ambiguity was as much the result of the inevitable fog of war as it was Schwarzkopf's location and his personality. In his Riyadh headquarters more than 300 miles from the fighting front, Schwarzkopf had not consulted with his field commanders. On the scene, they had the better view, and many felt that driving to the Basra canals would have cut off the fleeing Iraqis with minimum slaughter, and with minimal additional U.S. casualties. But they weren't asked, and Lt. Gen. John Yeosock, commander of all the U.S. Army forces, was reluctant to ask his volatile commander-in-chief to reconsider. Colonel Paul Kern, a brigade commander in General Barry McCaffrey's hard-charging 24th Mechanized Infantry Division, said after the war, "I knew this would be a military decision that would be debated for years to come in terms of where we stopped. The sense was there: 'success, but.'"

Fatal Distraction

For Powell, "sanctions, but" is the moniker that could be attached to America's top military officer. Privately, Powell favored economic sanctions to avoid a war with Iraq he thought was ill-advised. By late October, however, Bush and his top advisors clearly were unwilling to have American troops sit in the Saudi desert for the 12 to 18 months U.S. intelligence estimated it would take for sanctions to impose real pain on Iraq. At an October 31 White House meeting, Powell proposed a doubling of U.S. forces. It was a canny "win-win" ploy. Bush might think the price was too high and stick with sanctions. Then again, those massive forces just might frighten Saddam Hussein into abandoning Kuwait without war; if not, the "Powell Doctrine" would be put in motion and the Iraqi army would be hit with overwhelming force.

Robert Gates, then deputy national security advisor and present at this key meeting, re-

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was that the military put their gigantic requirements on the table—moving VII Corps from Europe, six carrier battle groups, activating more reserves—and Bush did not blanch."

Like many senior military advisors, Powell was skeptical of the heady promises of Colonel John Warden, a top Air Force planner, that the war could be won with negligible loss of American life through a strategic bombing campaign against Iraqi nerve centers. That plan, dubbed "Instant Thunder," would attack the snake's brain in Baghdad but did not plan to attack the body, the Iraqi army in Kuwait. Powell, disappointed and unimpressed, said, "I want to leave their tanks as smoking kilometer fence posts all the way to Baghdad." For their part, Navy officers took one look at Warden's scheme and instantly dubbed it "Distant Blunder."

The book is full of such juicy details. As it turned out, the air campaign failed to meet its own objectives. Unquestionably, the pilots pressed their attacks with gallantry and skill, but the effects were less than promised. Despite massive attacks on Iraq's command and control system, the Iraqis were able to coordinate salvos of Scud missile launches. The F-117 stealth jets weren't as completely stealthy as the public was led to believe. Aerial decoys and jamming planes occasionally were employed to help mask the attacking F-117s. Foul weather foiled attacks; laser-guided bombs didn't always hit their targets; and the Iraqis parked military vehicles in civilian neighborhoods, knowing coalition air planners would be reluctant to target them. There are object lessons aplenty here for those urging a bombing campaign in the Balkans.

Schwarzkopf planned all along to launch a ground campaign to liberate Kuwait. The planning and execution of that campaign, though, violated the age-old precept: unity of command. Schwarzkopf divided the front into a sector where Marine Corps Lt. Gen. Walt Boomer and his two divisions of Marines would be free to devise their own plan for attacking into Kuwait. The Army was given its sector, further to the west, to envelop the Iraqi forces. Instead of appointing a ground component commander to oversee the Army and Marine efforts, Schwarzkopf reserved that role for himself. As such, he was wearing two hats: commander-in-chief (CINC) of all forces in theater, and ground forces commander. Seeing the potential problem, Air Force Lt. General Charles Horner reportedly urged the CINC to appoint someone comparable to his position as air component commander as the ground component commander.

Schwarzkopf demurred. By doing so, he avoided the potential controversy of appointing a senior Marine Corps officer over Army divisions, or vice versa. But, as one officer in Schwarzkopf's headquarters during the war recently told me, "The danger of a dual-hatted CINC is that he's torn between the larger needs of the theater and advocating what his own component can do."

While Schwarzkopf was determined to show what the Army could do, he didn't change his plan in the face of altered circumstances. When Iraqi armored forces launched spoiling attacks into Saudi Arabia in late January 1991, and were summarily repulsed, it was evident that coalition forces were facing an inept, outgunned, and dispirited foe. The Marines' Boomer decided that when the ground offensive was launched, his forces would go all out. Once hit, Boomer reasoned, Iraqi resistance would shatter.

Schwarzkopf stuck to his plan to launch the Army's assault the day after the Marine attack. The marines would "fix" the Iraqis in place while the Army's mobile forces churned across the desert in a huge swinging arc west of Kuwait to cut them off. The Marines, though, had no intention of just "fixing" the Iraqis; they planned to overrun them in a bold dash north.

As it happened, Boomer had taken the Iraqis' measure, and he was right. His Marines punched through Iraqi defenses much faster than expected. As one Marine colonel remarked to me shortly after the war, "The reaction in Riyadh was, 'Oh shit, the war's going to be over before the Army gets into it.'" Schwarzkopf then launched his VII and XVIII Corps hours sooner than planned, but the vital VII Corps, comprising the main armored "punch," dithered. Advancing units were kept on line, limiting the speed of advance; some units were halted for up to nine hours on the first night.

All the while, Iraqi units were streaming north. Many escaped as the Army failed to slam the door behind them, despite the notable efforts of some division commanders to push boldly forward. For reasons not satisfactorily explained, the authors

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assert that the Air Force was unable to bomb inside a fire-support coordination line Army commanders had established well in front of their advancing units. By the authors' account, this empty space was inadequately covered by Army attack helicopters. Yet before the war, the two services hailed the "synergistic effects" of Joint Air Attack Teams composed of Air Force A-10 jets and Army AH-64 attack helicopters operating together inside the fire support coordination line. Despite all the recent emphasis on jointness, there was a major failure of air-ground coordination which inexcusably enabled the retreating Iraqis to evade the full wrath of U.S. airpower. As Gordon and Trainor point out, Schwarzkopf's war plan "was joint more in name than fact. Each service was allowed to attack the way it preferred, with little thought to how an attack in one area would affect the fighting in another."

Despite Schwarzkopf's imposing physical presence and his angry tirades at subordinates, Gordon and Trainor argue that he wasn't tough enough. He gave the Marines too much freedom, they claim, and he didn't stand up to Powell, Dick Cheney, or the White House when the pressure was on to end the war at the wholly symbolic 100-hour mark when there was still unfinished business. The authors also aim their guns at the political leadership over Schwarzkopf. For example, they point out that Bush had described Saddam Hussein as "worse than Hitler," but in the campaign against this new "Hitler," Bush ordered his armies, as it were, to stop at the Rhine. If there was a breakdown in coordination between America's armed forces, there also was a breakdown in coordinating America's military with its political objectives. These are tough indictments, rendered fairly and documented impressively in the best book yet to appear on the Gulf War. □

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The Washington Monthly

JOURNALISM AWARD

FOR OCTOBER 1994 IS PRESENTED TO

Chris Adams
The New Orleans
Times-Picayune

The blueprints to the St. Jude Medical Center in New Orleans were a monument to a bloated and arrogant health industry. The sprawling, $300 million complex, Adams writes in his three-part series, was "premised on the widespread illusion that no matter how much hospitals and doctors charged, no matter how sophisticated and elaborate the medical services they offered, no matter how duplicative the services, the insurance industry would just go on paying the bill." But when insurance companies began opting for less expensive health care, such as HMOs and managed care plans, occupancy rates sank below 35 percent and the hospital began to lose millions. Adams' exhaustive description of St. Jude's collapse is a parable of the health industry's hubris and consequential fall, and a strong case for why reform is needed now more than ever.

The Monthly Journalism Award is presented each month to the best newspaper, magazine, television, or radio story (or series of stories) on our political system. Nominations for any newspaper, magazine, or radio or television station in the country are welcome. The subject can be government in its federal, state, or municipal manifestation. Please send nominations to Monthly Journalism Award, 1611 Connecticut Ave. NW, Washington, D.C. 20009. Two copies of the article or broadcast text should accompany the nomination.

Nominations for stories published or aired in November or December will close February 1. The winners will be announced in the March issue.

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Let's Kill All the Lawyers

That would be a start, but a new book successfully argues that legalism has turned all *of us into adversaries and nitpickers*

BY ROBERT F. NAGEL

The Death of Common Sense
Philip K. Howard *Random House, $18*

Do you want to know why the Republicans triumphed in the mid-term elections this past November? Why Rush Limbaugh and his dittoheads dominate the airwaves? Why people seem so exasperated and angry? Philip Howard has an answer that, while depressing in many respects, will nevertheless gladden the hearts of neoliberals everywhere.

Howard says that hyper-activist government at both the national and local levels is suffocating the people. It is assaulting their dignity and draining their spirit. But (here is the cheerful part) the problem with progressive government is technique rather than substance. Enlightened policies, like environmental protection or aiding the poor, are not deeply flawed. The problem is that we pursue those policies through the methods of law. It is legalism, Howard says, not big government, that is driving Americans mad.

And for a rich, street-level account of the absurdities of bureaucratic legalism and its offshoot, the rights explosion, you can hardly do better than this book. Illustrations crowd every page: safety rules that classify sand as hazardous and bricks as poisonous; sentencing "grids" that assign higher culpability if drugs are sold in sugar cubes rather than tissue papers; affirmative action regulations that turn every conversation into a potential lawsuit; and rights of all kinds—student rights that have undermined order in public schools; employee rights that have sent honest evaluations the way of the dinosaur; handicapped rights that have made ordinary civic improvements, like public bathrooms, into fantastically expensive ordeals. Like printing money, Howard says, distributing more and more rights has cheapened the underlying ideal; rights are now seen as special group benefits instead of protections for core liberties.

Howard's gloomy criticisms of government bureaucracy and the rights-grab are not, of course, wholly original, but he conveys them vividly and concretely. Moreover, he emphasizes two under-appreciated points.

First, he persuasively links the excesses of modern government to the mentality of lawyers. Legal training tends to inculcate all the intellectual impulses that are running amok in modern government: the striving for certainty, uniformity, precision, neutrality, and comprehensiveness; the distrust of official discretion and raw politics; the faith in court-like procedures and centralized decision making; and the uncritical devotion to abstract doctrines and rights. The bureaucrats' reliance on procedure is an offshoot of the trial lawyers'

Robert F. Nagel teaches law at the University of Colorado. He is the author of Judicial Power and American Character: Censoring Ourselves in an Anxious Age.

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fiction that decision-making procedures are independent of substantive outcomes. "We are only ensuring a fair trial," they say, while guilty defendants go free.

Second, Howard understands that our reliance on legalism does not amount merely to a set of specific mistakes. This reliance has broader cultural significance. The techniques of law have become a kind of civic religion. From the deepest political dispute to the smallest misunderstanding at the water cooler, Americans discuss every disagreement in the clumsy jargon of rights.

Given the depth of this indictment, it may seem odd that Howard's tone remains upbeat and that his book will, in fact, cheer some readers. Optimism is possible because Howard shares the neoliberal conviction that humane and activist policies can be separated from ossified bureaucratic techniques. Howard observes that the New Deal, when government was at its most active, began with a burst of governmental flexibility and creativity. He thinks that in the same way today we can rely on general principles rather than detailed rules; we can unleash individual initiative rather than seek shelter in procedures; we can balance and accommodate interests for the public good rather than mindlessly protect individual rights.

We must recognize, however, that in many cases the ill effects of the legal age were fully intended by those who favor "progressive government." To take one example, the homeless people released as a result of the de-institutionalization movement were not unanticipated. Fervent advocates for the "rights" of the mentally ill argued from the beginning that patients should be allowed an unconventional life on the streets if they so wished.

Howard rightly decries the effects of procedural rights for school students. The problem is not merely that those rights have made it too difficult to expel disruptive students. The problem is that the right to challenge the authority and judgment of teachers has altered the attitude of many students. It has helped to equalize the status of students and teachers, and it has created a sense of invulnerability among students. As a consequence, it has encouraged defiance. But the early academic writing that proposed expanding procedural protections was based precisely on the belief that such attitudinal changes would be desirable. Along with welfare recipients, students were seen as powerless victims of the bureaucratic state. They needed independence and vigor. They needed the opportunity and the impulse to "talk back" to authority. In short, progressive legalists wanted just what we now have.

At least to some extent, then, the legalistic mind-set that dominates our methods of governing is the progressive mind-set. The methods do not simply distort or subvert well-intended programs. In some significant measure, they faithfully reflect "enlightened" aims and values.

From the fact that governing methods are not entirely separable from the substance of policy, it follows that the reforms in technique that Howard recommends will not work—at least, not unless they are accompanied by changes in political goals. His proposed techniques may look new at first, but they will inevitably work in the oppressive ways that the underlying policies require.

Consider the recommendation that we rely on general principles instead of detailed rules. The idea is that generality allows room for individual judgment and commonsense. But what, exactly, is the nature of a legal "principle"? In the hands of law professors like Ronald Dworkin (to whom Howard refers approvingly) "principles," such as the idea that religious belief can't serve as a basis for public policy, are exactly the kinds of abstract strictures that have driven government to the imprudent, suffocating extremes that Howard criticizes. Indeed, many of the detailed, unrealistic administrative rules that he describes exist because Congress has enacted very general, unqualified standards in statutes governing areas like environmental protection and worker safety. General principles will allow sensible judgments and individual initiative only if we substitute different and less ambitious principles for the ones that are presently making Americans crazy. For instance, we have to re-think the sentimental notion that every species should be protected from extinction at all costs. After all,

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nature herself is harsher than this. And the goal of racial proportionality in every endeavor—from higher education to medicine to broadcasting—cannot be made sensible by generalizing it into a principle. What is needed is a return to a different principle, something closer to equal opportunity.

Balancing interest, Howard says, will allow room to accommodate many groups and to pursue the welfare of society as a whole. But whether balancing will result in useful compromises depends on how competing goals are valued.

The Supreme Court's constitutional decisions demonstrate that balancing interests can produce results that rip the social fabric. Take the little-known 1982 case of *Phyler v. Doe,* which requires states to pay for the public schooling of children who are illegal aliens. The Court balanced the plight of the innocent children who were being denied free education against the interests of the state, including the preservation of its fiscal resources and the need to provide high quality education to legal residents. When all the balancing was done, the state was ordered to provide free education. The result has been a swelling bitterness towards illegal immigrants that climaxed last November when California passed Proposition 187.

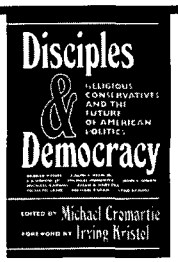
The problem was not the decision itself, but that it instituted a rigid mandate. During an era of greater affluence courts mandated that the children of illegal immigrants should be schooled. Now that budgets have dried up, democratically elected governments are squeezed by the dictates of courts that had the luxury of protecting a class of children while willfully ignoring the fiscal and political realities by which democratically elected legislatures must govern. The court's balance of interest was cemented; the ground beneath it has now shifted significantly.

Howard shows that wooden rules and endless rights are not just regrettable excesses. They are fundamentally corrosive. The effect of designing rules to cover every possible contingency is to teach the lesson that initiative is dangerous, that people shouldn't act without specific authorization. Suffocating under the weight of progressive legalism Americans are losing energy, optimism, compassion, and even joy. □

DISCIPLES and DEMOCRACY

Religious Conservatives and the Future of American Politics

Edited by **MICHAEL CROMARTIE**
Foreword by **IRVING KRISTOL**



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"This profound book goes to the heart of questions faced daily in newsrooms, on school boards, in Congress, and at the dinner table. It is a serious and significant exploration of the intersection of rights, responsibility, community, and tolerance, conducted in a fashion that illuminates the discussion and enlightens the reader." **—THOMAS BYRNE EDSALL** Political reporter, *Washington Post*

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Artificial Intelligence

A entertaining account of life inside the KGB shows how large intelligence bureaucracies—East and *West—spend more time producing pointless memos than useful information*

BY DAVID CORN

Washington Station: My Life as a KGB Spy in America
Yuri Shvets, *Simon and Schuster, $23*

The portrait is of a spy service packed with bureaucratic boobs worrying more about turf than espionage, tailoring intelligence to fit the political biases of superiors, overlooking failures, and deceiving themselves about what they dare term successes. The Central Intelligence Agency? No, this is the dreaded KGB, courtesy of one of its own.

In the mid-eighties, Yuri Shvets was a junior case officer in the KGB's station in Washington. He fled the service in 1990, disillusioned, he claims, with the incompetence of practically all around him and upset that his KGB had been a drag on Gorbachev's *perestroika* campaign. After he resigned, Shvets gave an interview to *The Washington Post* and soon procured a lucrative book contract from Simon and Schuster. The result is this tell-all memoir of life in the KGB that is fascinating and entertaining, but hardly credible.

This book is difficult to evaluate, because its trenchant events rest upon the word of a former intelligence officer trained in duplicity and whose accuracy on key points is weak. Still, Shvets offers a useful message: Large intelligence bureaucracies are bound to fail; they simply cannot practice the difficult craft of espionage without botching the job more often than not. Ultimately, the true accomplishment of *Washington Station* is that it supports Shvets's case—albeit unwittingly—through its own faults.

Shvets arrived in Washington in 1985, posing as a reporter for Tass, the official Soviet news agency. His real job was to recruit Americans as spies. Before leaving for the States, he was advised by a fellow trainee in Moscow that "Nobody needs your undercover agents. An operative's career is shaped exclusively by his relationship to his superiors. You'd be better off thinking how to suck up to your boss." But not our hero. Shvets realized that his KGB—far from that ubiquitous and cunning institution portrayed in the Western media—was mostly a gigantic paper mill, churning out millions of reports of no practical value. Shvets resolved to be different from his comrades, to show initiative. That meant bagging an American agent—even if, as he himself puts it, he had as much chance as "an airline pilot had of flying to the moon."

Shvets thinks he hit the jackpot in an operative he calls "Socrates." The story of how Shvets recruited and used Socrates makes up the heart of his memoir. But while aiming to blow the lid off a sensational story, Shvets declines to name this superagent, and that is a fundamental weakness of the book. The manner in which Shvets explains the missing piece raises questions about his reliability. In the epilogue, he claims that he chose not to use Socrates' name because Socrates did not respond to questions Shvets had sent him while he was writing the book. Privately, Shvets has told people that he wanted to identify Socrates but that Simon and

David Corn, Washington editor of The Nation, *is author of the recently published* Blond Ghost: Ted Shackley and the CIA's Crusades.

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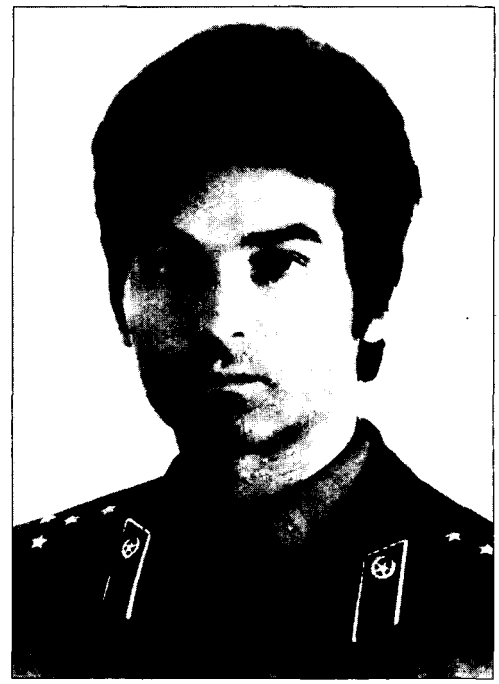
Schuster would not permit him, fearing a lawsuit. A representative of Simon and Schuster simply says, "We haven't [named Socrates] because we're unable to verify things Yuri says, not that we doubt him. . . . As a measure of prudence, we decided not to use his name." (As this is being written, Shvets has promised at least one network news show that he will identify Socrates during a televised interview.) By not identifying him in the text, Shvets is free to write what he wants of Socrates, for Socrates certainly is not going to come forward, proclaim himself as Moscow's man in Washington, and then deny specifics of Shvets's account.

Shvets characterizes Socrates as a "White House advisor" during the Carter years, who in the mid-eighties was a consultant of some sort who detested the hard-line foreign policy of the Reagan administration. Socrates was delighted to have an audience for his political views. At their first meeting, according to Shvets, Socrates "began initiating me into the secrets of a Washington political insider. He poured out names, positions, quotations, gossip, and rumor. Listening to him, I felt now in the State Department, now in Assistant Secretary of Defense Richard Perle's presence, now in Senator Jesse Helms's office, now in President Reagan's bedroom. The roller-coaster trip took my breath away."



The KGB's Finest: Yuri Shvets

That Socrates could provide such a trip is a joke to those who have known him. I have spoken to people familiar with the person who Shvets says is Socrates. (I won't name him, as long as Shvets won't.) He had been a low-level functionary in the Office of Management and Budget in the Carter administration. He then flitted about town, as something of a journalist (he helped his wife with her articles) and a namedropper with a touch of paranoia, one of those familiar Washington characters who knows a little but talks a lot. He had a certain rough charm and proclaimed himself to be an intelligence expert, without producing proof of his expertise. He was always ready with a conspiracy theory and insisted on being called "doctor," in deference to a Ph.D. he apparently had collected. But he was in no position to obtain routinely classified information. To consider Socrates and his wife insiders and prime sources of strategic information about the Reagan administration is absurd. But Shvets does not see that. In the land of the blind, the one-eyed spy is king.

I recently asked the real-life Socrates, who now resides in Moscow, to characterize his interactions with Shvets. He declined to answer in detail, noting it is unfair for him to be forced to respond to a charge that Shvets does not make publicly. He has a point. But he does assert, "I'm not Socrates. What Shvets has invented is not me." The real-life Socrates suggests that Shvets's Socrates is a composite character, left over from an unpublished novel Shvets had written. Shvets and Socrates—both men with healthy egos and penchants for claiming to know more than they probably do—had some relationship. My hunch: The information Socrates supplied to Shvets—if he did supply—was his reading of the newspapers, plus a dash of Washington gossip. Shvets and Socrates were a perfect match: an eager-beaver who knew little of Washington and needed a source, and a self-important, on-the-outs mixer who surely appreciated an acolyte.

The serious problems with Shvets's account are evident in his telling of the first big coup he obtained with the assistance of Socrates. In August of 1986, Socrates, who supposedly had agreed to sell information to Shvets (still posing as a Tass man), approached Shvets with dynamite material not yet publicly known: The Reagan administration had diverted to the contras proceeds from the Iran arms sales, and the CIA, while aiding the contras, had helped the Medellin cartel. Socrates named his source: the International Center for Development

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Policy. One of its employees, a past CIA officer in Central America, had drafted a report.

Imagine how Gorbachev could use such information in the coming summit with Reagan. Shvets needed that report. The next day—this is a wonderfully melodramatic and ludicrous scene—he conducted an elaborate trek through Washington to lose any FBI agents, donned a disguise, and visited the Center, where he encountered a receptionist behind a glass partition ("probably bulletproof"). A Center official handed over the report, confiding that no one outside the organization was aware of it and that the document had been written by an ex-CIA man with direct access to the source material.

Back at the station, Shvets discovered the paper contained no irrefutable proof of a CIA-cocaine connection. Nevertheless, the KGB residency fired off a cable to Moscow summarizing the report and Socrates' revelations about Iran-contra. A reply came from HQ: Watch how we use this information. Days later, the Sandinistas in Nicaragua shot down a contra supply plane and exposed Oliver North's covert network, Shvets maintains this was a direct result of his toils.

The story could not have happened as Shvets claimed. Socrates certainly could have known what was in the media about Reagan's aid to the contras. However, the Iran arms deal was not revealed until months later. If Socrates had known of the arms for hostage scheme, his wife, a journalist, would have reported it. And if he had told Shvets, Shvets would have had a real intelligence coup and would have trumpeted this in his cable to Moscow. But Shvets didn't, he now says he focused on the diversion, which he could not have known about at that time. The report touted by Shvets was a public document written by a former CIA analyst in Washington who merely had compiled incomplete information that had seeped into the media about the covert contra operation (not the diversion). The Center was distributing the paper to whomever would take it. (By the way, the glass in its reception area is not bulletproof.) It is ridiculous for Shvets to suggest that on the basis of his report, the Sandinistas blasted a plane and revealed the White House's secret contra program. There happened to be a war occurring then, and the Sandinistas did not need tips from their Moscow friends—especially a lead based on American media reports—to realize there were aircraft to shoot.

This hints at a classic intelligence practice: inflate the significance of an agent, claim your intelligence is more valuable than it is, brag that it made a difference in the grand scheme of history. *Washington Station* advertises the dilemmas inherent in the new I-was-a-KGB-spy literary genre. A former Russian intelligence officer can charge anything—for instance, that notable American scientists handed the secrets of the atomic bomb to the Commies—and claim as proof "I was there" or "I heard it from somebody" or "I saw the document." Referring to one small mystery he encountered as a KGB spook, Shvets writes, "'You never know'—these three words would be an appropriate epigraph to a truthful book about an intelligence service." So true for his own work. Mostly truth? Mostly make-believe? Mostly exaggeration? Mostly disinformation? You never know.

Assuming he is not an utter fabricator, Shvets is good in sketching the details—silly and serious—of the intelligence craft: shaking tails, recruiting agents, running dead drops. He reports that when the KGB tried to mount active measures—disinformation and propaganda—it often did so with such a heavy hand as to be ineffective. His is not a KGB to be feared, nor one capable of mounting far-flung conspiracies in the United States, as right-wingers here have claimed. Shvets's large themes follow much of what we know about our own spies. Bureaucratic caution and bumbling rule. Officers transform their open contacts with prominent Americans into secret intelligence reports. "Any bureaucracy is inherently flawed," Shvets observes. "The bureaucracy in an intelligence service is probably worse because it is surrounded by a thick wall of secrecy, and it rots behind this wall. . . . The cost of [the KGB's and CIA's] failures dramatically exceeds their questionable effectiveness." His bottom line: "shut down the so-called human intelligence" operations of both services.

Shvets's self-serving book—if only partially true—is strong evidence for this proposition. Skeptic that he was about all that transpired around him, he still could not perceive the inanity of his own Socrates operation. It is no great surprise that any service that considered Socrates hot stuff (or one that would promote Aldrich Ames to a sensitive post) would miss the fall of the Communist world.

Both sides failed to catch it, and for similar reasons. The intellicrats of the KGB and the CIA should fear confessions such as this one, for it shows that they need each other more than their own nations need them. □

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Memo of the Month

United States Department of Agriculture | Farmers Home Administration | Washington D.C. 20250

FmHA AN No. 3032 (1943-A)
June 24, 1994

SUBJECT: Policy on Identifying Socially Disadvantaged Applicants (SDAs)

TO: State Directors, District Directors, and County Supervisors, FmHA

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administration Notice (AN) is to provide guidance to clarify FmHA's policy on identifying socially disadvantaged applicants (SDAs). The intent of this AN is to assure that SDA target assistance is provided only to eligible ethnic minorities and women in accordance with current regulations.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

In general, FmHA policy is to accept the race/national origin designation claimed by an applicant or borrower on an application.

However, male individuals who have identified themselves as white on previous application(s), and wish to participate in FmHA's SDA Farmers Program as American Indians or members of other minority groups, should provide adequate information to prove their ancestry to the County Supervisor.

Any questions concerning this policy should be referred to Wilbert Campbell Jr., Director, Emergency Designation Staff at (703) 305-2077.

Michael V. Dunn

MICHAEL V. DUNN
Administrator

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Political Booknotes

Prodigal Soldiers: How the Generation of Officers Born of Vietnam Revolutionized the American Style of War
James Kitfield
Simon and Schuster, $25
By Gregg Easterbrook

A preponderance of analysis of the Persian Gulf War has focused on Norman Schwarzkopf: an important figure in that conflict, of course, but one who was utterly uninvolved in its actual fighting. Schwarzkopf experienced the Gulf War from an air-conditioned office building in Riyadh, Saudi Arabia, not being present with any ground unit in combat. (This is standard for a theater commander; Eisenhower wasn't at D-Day, either.) The generals who actually prosecuted the war, such as Barry McCaffrey of the Army, leader of the unit that executed the "left hook" into Iraq, and Charles Horner, who ran the air campaign, have strangely gone unnoticed in the public eye.

Or maybe not so strangely, given how superficially the U.S. media continue to cover military affairs. Schwarzkopf became a press fixation because he looks like a general, says pithy things, and appeared at numerous press conferences in air-conditioned buildings, where he could be photographed conveniently. McCaffrey, on the other hand, had to be tracked down by reporters—a few did, to their credit—while Horner, whose looks suggest your high school wood shop teacher, appears so unlike the stereotype of a general that most journalists would have walked right past him in the hall. It's now almost four years after the war, and the public has heard in mind-numbing detail about the bickering among Schwarzkopf, Colin Powell, George Bush's senior staff, and Congress—but precious little about what actually happened to the men and women who fought.

Prodigal Soldiers is among the first books to cover this ground. It concerns the military careers of McCaffrey, Horner, former Tactical Air Command leader Wilbur Creech, former Army Chief of Staff Edward Meyer, and others either involved personally or by influence in the Persian Gulf fighting. By James Kitfield, a longtime military correspondent, *Prodigal Soldiers* is somewhat top-heavy: All its major subjects are flag-rank officers except for McCaffrey's son, Sean, who also fought in the Gulf. The grunts' view of the Gulf War remains to be written. Nevertheless, *Prodigal Soldiers* is a solid, admirable work and a welcome change from the big-deal, Washington-based approach to war reporting. Kitfield understands well that what happens in little-known training exercises, in military staff colleges and, most of all, in the personal combat experiences in the early careers of the soldiers who later become generals has far more effect on the ways in which war is fought than all White House statements, think-tank studies and similar Washington paperwork combined.

Kitfield relates, for example, McCaffrey's brush with death as a lieutenant in the early years of the Vietnam War. His squad was sent out with a battalion of Vietnamese paratroopers during the days when the official line was that the North Vietnamese were not an effective fighting force. Owing to this wishful thinking, McCaffrey's group was ordered much farther into opposition territory than good sense would dictate. They were surrounded by a larger force and, through a night's fighting during which bad weather prevented air support, more than a third of the American men died. When dawn came the survivors were horrified to discover that the North Vietnamese had not stolen off at first light—a common tactic for guerrillas—but remained in place and were being reinforced, meaning they intended to press the attack and destroy the surrounded battalion.

McCaffrey was further chilled to discover the Vietnamese paratroopers around him removing their helmets and donning the ceremonial red berets of their unit. Their captain was forming up his battalion to charge the larger force, knowing this to be suicide. The captain told McCaffrey that death was now inevitable, so might as well come on their own terms. Already wounded, McCaffrey joined the mad charge, which was rescued from oblivion only when an Air Force "Magic Dragon" gunship floated down as if by sorcery from the low clouds and caught the North Vietnamese force immoderately crossing an open field in hopes of staging a slaughter. McCaffrey, whose recovery took months, learned several lessons—about the foolishness of underestimating an enemy for political reasons, about the fact that Third World nations can produce distressingly effective armies, and about overconfidence in air power that may not be on target when needed.

Next, Kitfield tells readers of Horner's early Vietnam experiences. Early in the bombing campaign, he and a small group of fighter pilots were sent on a special mission to attack a missile site. Planning was poor, rear-echelon officers assumed total success owing to the official line that the North Vietnamese were no threat, and for political reasons Horner's group was far too small and lightly armed for its own protection. Several of the fighters were shot down, the pilots killed or captured; Lyndon Johnson ended up on national television trying to rationalize a failed raid. Horner learned the basic military lesson of Vietnam: Either go strong or don't go at all.

After its Vietnam chapters, *Prodigal Soldiers* covers other formative events in the careers of the officers who ended up leading the U.S. army into Desert

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Storm—the disasters at Beirut and Desert One; the breakdown of cost-is-no-object weapons programs of the early eighties; the attempt during the Air Force's Red Flag exercises and similar undertakings to make military training realistic; the 1986 Joint Chiefs of Staff reform that shortened command lines and imposed accountability. These, Kitfield shows, forged what was by the time of the Persian Gulf conflict a senior Pentagon staff more attuned to the real-world aspects of war than any U.S. military leadership since the World War II Pentagon (post-Coral Sea).

Kitfield is right about this, and right to emphasize it. Because popular attention has focused so tightly on minor aspects of the Gulf War such as Schwarzkopf's personality, how constructive self-criticism within the U.S. military helped prepare that institution for success both in battle and in the moral behavior of troops remains the most important story of that conflict—and one that is still nearly unknown to the American public.

My first quibble with Kitfield is that he dismisses the constructive efforts in this regard of the military reform movement, one of whose voices was this magazine. For instance, he says that the fiasco of the ineffective Divad anti-aircraft gun was discovered by "congressional investigators." As someone intimately involved in that case, I can attest that congressional investigators arrived on the scene only after the groundwork had been done by journalists and an internal Pentagon analysis bureau. It's true that internally generated pressure within the officer corps was the most important factor in the eighties' military reform, but the public pressure generated by the highly visible civilian aspect of the reform movement helped spur the Pentagon brass and Congress (which enacted the JCS reform) into gear. I don't think it is exaggerating to say that in the eighties criticisms leveled by military reformers saved some U.S. lives in the Gulf. My second quibble is that Kitfield recounts many scenes in the novelized "you are there" format that leaves readers totally in the dark about his sources. Interviews? Other books? Was he there? Even the book's notes section leaves the source authority unclear, which is worrisome, regardless of whether the scenes ring true. (They do.)

Near the end of Kitfield's book is a poignant paragraph on Sean McCaffrey: "In Sean's few years in the Army, his division had parachuted into combat in Panama and gone to war in Desert Storm, and the boy had been stationed as part of a peacekeeping force in the Sinai. Somalia and Bosnia and Korea beckoned. The chances that Sean would be asked to put himself into harm's way were increasing. Truly, [General McCaffrey's] son was now the prodigal soldier." American soldiers, scorned by American intellectuals and rejected by popular culture in much of the post-Vietnam era, continue to be asked to surrender their lives in enterprises both wise and foolhardy. It's time we knew this group of people better.

Gregg Easterbrook is a contributing editor of The Washington Monthly, Newsweek, *and* The Atlantic Monthly.

With Friends Like These
Bruce W. Jentleson
Norton, $23
By Charles William Maynes

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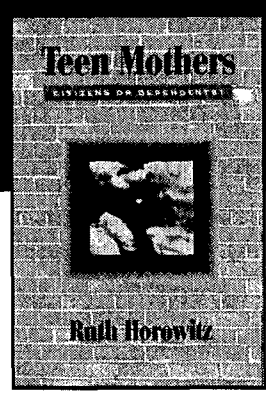

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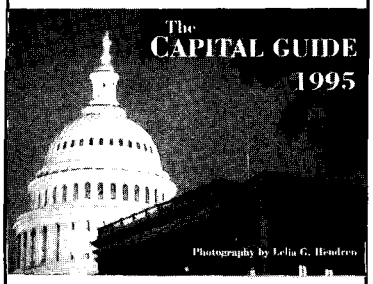

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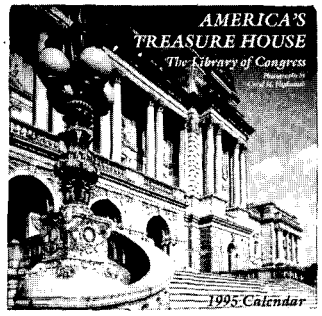

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to build up their military machine; massive credits to subsidize American food exports to Iraq; and quiet support for the decision of others, especially America's European allies, to sell Iraq not only huge amounts of conventional weapons but materials that Iraq used to build atomic, biological, and chemical weapons as well.

The Gulf War exposed this policy of attempted co-optation as a spectacular failure, and Bruce W. Jentleson, then an academic from the University of California at Davis, helped Democratic Vice Presidential candidate Al Gore develop a savage attack on the Bush record in a major campaign speech on September 29, 1992. That speech sullied the Bush record in foreign policy and planted doubt in the minds of voters that Bush was the master of foreign policy he claimed to be. So U.S. policy failures toward Iraq may not only have helped bring on a war but also elect a new president.

Now Jentleson has expanded his earlier research into a major study of U.S. policy toward Iraq in the period 1982-90. *With Friends Like These* offers a solid account of numerous blunders made by both the Reagan and Bush administrations regarding Iraq. But Jentleson wants to provide more than a good historical account. He argues that Reagan and Bush should have recognized from the beginning that their policy toward Iraq was going to fail; in explaining this, Jentleson believes he has arrived at a set of guidelines for dealing with so-called "rogue states" like Iraq or Iran—reciprocity, proportionality, and deterrent credibility—that could be as important as containment was for dealing with the former Soviet Union. Jentleson is right about the policy disaster, but it is less clear that his vision for the future is workable.

First, some history. As former Secretary of State Lawrence Eagleburger has sardonically commented, it is always hard to defend a policy that has failed. Certainly the Reagan and Bush administrations took a risk in dealing with Iraq the way they did, but do the roots of the failure lie solely in the inability of the Bush administration to spot evidence of Iraqi perfidy—the surreptitious effort to acquire nuclear arms, the continued support for terrorist groups, or even the speeches of key Iraqi leaders—or were there deeper causes at work?

In his 1984 presidential campaign, Gary Hart pointed out that unless the United States had a credible national energy program, the country would remain dependent on oil from the Persian Gulf, a highly unstable part of the world. It was much cheaper, Hart suggested, to develop such a program than to bear the military costs of becoming the *gendarme* of the Persian Gulf. One way to view the story of U.S. policy toward Iraq under Reagan and Bush is that it represents yet another American attempt to deny the logic of Hart's case by looking for a local surrogate through whom the U.S. could attain oil stability on the cheap.

The first candidate to fulfill this American wish was Iran under the Shah. In May 1972, Richard Nixon and Henry Kissinger opened America's arsenals to the Shah for all but nuclear weapons. They also agreed to the Shah's request for covert aid to help the Kurds revolt against the Iraqi government. The rise of the Ayatollah in the late seventies, of course, brought to an end the illusion of Iran as the defender of America's Persian Gulf interests.

With Iran out of the picture, the next candidate for the surrogate role was Iraq. A friendly Iraq would lower the costs of maintaining stability in the Gulf area and, just as important, would contribute to the peace process because a friendlier Iraq would help end Egypt's isolation in the Arab world. In all likelihood, this was the real logic behind the U.S. strategy, not simply a naive belief in Saddam's intentions.

That the U.S. needs such a surrogate is shown by current U.S. efforts, thus far unsuccessful, to persuade Saudi Arabia to allow the U.S. to base enough tanks and planes on Saudi soil to sup-

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port a brigade of troops. Obviously, such an arrangement is much less desirable than a surrogate able to assume a larger military role for itself; but unless the U.S. has a clear base of support in the area, its commitment to the Gulf will remain vulnerable. The otherwise crazy twists and turns of U.S. policy in the Gulf under several administrations can be understood in this light.

Why didn't the policy toward Iraq work? Jentleson believes that the sole reason was Saddam's duplicity, which he documents in detail. But there may be other reasons as well.

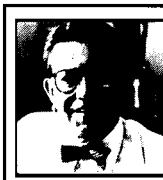
One could have been that the United States did not sufficiently understand the position Iraq was in after its eight-year stalemate with Iran. Almost in passing, Jentleson points out the astonishing fact that in 1988 Iraqi oil revenues were only $11 billion—roughly half their pre-war level, without taking inflation into account; at that point, Iraq was not earning enough to service the war debt it had incurred, yet it faced massive social and economic costs in rebuilding a society ravaged by the war with Iran. One important reason for its plight, of course, was that Kuwait was producing more than twice its OPEC quota.

Jentleson believes that Iraq could have solved its problem by demobilizing. Certainly, it is hard to argue that Iraq needed all the military power it had mustered, but with Iran and Syria on its borders, it is also hard to believe that any Iraqi government could have demobilized enough to resolve the very difficult financial situation in which the country found itself. The way to have prevented the war that began with Saddam's invasion of Kuwait, in other words, may have been a major debt-relief package, together with some demobilization.

Another reason for the U.S. failure may have been a set of U.S. policies that made it almost impossible for Washington to succeed in its effort to lure Iraq into a pro-American stance. Perhaps the Iraqi leadership was irredeemable from the start, but Americans should not forget that over the years their government took a number of steps that would have made any foreign government suspicious, particularly one as paranoid as that of Saddam Hussein. These measures range from possible encouragement of Iraq to invade Iran (according to the top National Security Council official dealing with Gulf matters at the time) to the authorization of Israel to sell billions of dollars of arms to Iran when Iraq's back was against the wall. These sales may have denied Iraq victory.

What about Jentleson's larger effort to develop a containment policy for so-called "rogue states"? Unfortunately, it is hard to argue that Jentleson has found the Rosetta Stone. His first principle, reciprocity, is in the eyes of the beholder. U.S. officials undoubtedly believed that Baghdad was making concessions of considerable importance, and they were not alone. Such diligent observers of the Middle East as the editors of *The New Republic* published, in the mid-eighties, an article praising Iraq as "the de facto protector of the regional status quo." Laurie Mylroie, an academic who now regularly publishes opinion pieces urging harsh measures against Iraq, argued in 1988 that Saddam was "a popular leader . . . young, energetic, alert to the needs of his people." Such observers were not entirely wrong in their assessments. Saddam *did* deliver on several issues of critical importance to U.S. policymakers: In particular, he re-established diplomatic relations with Egypt and provided key sponsorship for getting Egypt invited in May 1989 to its first Arab League summit since Camp David, an absolutely critical step if the peace process were to continue.

Jentleson's second principle, proportionality—that one country should, for every concession it makes, receive something equal in return—is also open to different interpretations. Whether one sort of concession is worth another will be forever open to dispute.



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Jentleson's final guideline—credible deterrence—is perhaps the most useful of the three he advances. Few will argue that the U.S. would not have been better off warning Saddam before he moved into Kuwait that the United States was prepared to go to war if he took such a step. But here, too, the scope of Jentleson's conceptual contribution is limited. America's problem with most rogue states is not that they are aggressive; it is that they exist at all. Cuba is not threatening its neighbors with military attack. One can argue that it never did. Libya and the Sudan are not threatening Egypt militarily. Nor is Iran threatening an invasion of its neighbors. America's problems with these states is that they offer an example of radical defiance and, by their very existence, encourage and sometimes help groups and individuals we do not like. Jentleson has no answer for that problem.

It may be that there is no answer other than controlled isolation. Like a child in the middle of a temper tantrum, Iran or North Korea must calm down before others can develop a normal relationship with them. Helping to calm them down would be a policy to leave them alone. Like a child that comes out of her room voluntarily after others cease pleading with her to unlock the door, these states are more likely to be contained by studied indifference than by hostile encouragement. *Charles William Maynes is the editor of* Foreign Policy *magazine.*

Understanding Health Care Reform

Theodore R. Marmor
Yale University Press, $35 (cloth); $14 (paper)

By John B. Judis

Theodore R. Marmor's book of essays was completed before the Clinton administration's health reform proposal met its doom in Congress, but Marmor has nonetheless written its epitaph. Reflecting on the possibility of "systemic reform," Marmor writes, "The likelihood is that our politics will leave Americans with confused choices, escalating inflation, and considerable despair." Marmor's recent essays, collected under the title *Understanding Health Care Reform*, could have been more accurately titled *Understanding the Failure of Health Care Reform.*

Marmor, a professor at Yale's School of Organization and Management and an expert on health care policy, has been a leading proponent of a Canadian-style single-payer health insurance system, but like many health reform advocates, he tried to make the best of the Clinton effort. These essays, many of which were written during 1992-1993, record Marmor's attempt to explain what the choice of reforms entailed and why it would be difficult for any fundamental reform to be adopted. The essays range from outstanding to dispensable, and there is considerable repetition among them. But several themes emerge

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which are important to any future consideration of health care reform.

Marmor argues that, leaving aside political feasibility and the precise details of implementation, the Canadian system remains the best model for American health care reform. It provides its citizens with universal and high-quality care—in polls taken in Western Europe, North America, and Japan, Canadians are the most satisfied with their nation's health care system—at a price considerably less than that of the American system—about nine percent of Canada's GNP, compared to 12 percent of GNP in the U.S. Unlike its primary rival, managed competition, a single-payer system would preserve and even revive consumer choice. And also unlike managed competition, it has been tried and proven workable.

Marmor's support for a single-payer system, while controversial among lobbyists on Washington's K Street, is widely shared by health and economic policy experts who have looked at the subject dispassionately. In the last five years, the General Accounting Office, the Congressional Budget Office, and, most recently, the Office of Technology Assessment (none of which are known for their reckless radicalism) have issued studies favorable to single-payer reform. And most health experts who favor other plans—from the Brookings Institution's Henry Aaron to Princeton University's Paul Starr—acknowledge that they do so only because they believe the rival plans have a far better chance of getting through Congress.

One of the primary objections to a single-payer system is that it would encourage a "big government" approach to health care, but Marmor points out that managed competition would itself require extensive new layers of regulatory bureaucracy to ensure, among other things, that rival health plans don't try to skim off the least disease-prone customers. Marmor also suggests that there are sharp differences between the plans that present themselves as managed competition. The model championed by former Rep. Jim Cooper would rely on competition among the health plans for members to hold down prices and would not guarantee universal access; Starr's and, later, Clinton's plan would guarantee access and would impose a "global budget" to attempt to hold down overall prices. Marmor sees the Clinton plan as a step toward a Canadian system, writing, "The pairing of global budgets and universality reflects the seeping into the U.S. reform mind of precisely the key elements analysis of Canadian experience has been emphasizing for two decades."

Marmor argues in these essays, however, that neither single-payer nor the Clinton version of managed competition would be likely to get through Congress. He contends that reform would be blocked by Americans' "ideological predilections" against state action and higher taxes, which would be required either directly or in the form of premiums to finance health reform, and by the "fragmented" American political system, which makes it easier to block legislation than to pass it. Health industry and other business lobbyists opposed to change could take advantage both of Americans' antipathy to taxes and big government and Congress' Byzantine committee structure and prerogatives to stop a significant reform bill from even reaching the House and Senate floor. And that is exactly what happened.

Marmor thinks that in order for fundamental reforms to be adopted, an administration would have to enjoy large mandates in Congress and the legislation itself would have to be surrounded by a sense of popular crisis. These conditions were present in 1935 when Social Security passed, and in 1965 when Medicare was introduced but they have not been obtained since then. As a result, health care reform has been repeatedly stymied—in 1971-1972, 1978-1979, and now again in 1993-1994.

Marmor cites the general reasons why significant reform failed, but

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there are also two more specific reasons. First, the postwar alliance between business and labor that backed Medicare in 1965 was not around in 1994 to back health care reform. This alliance disintegrated in the seventies, and business is now represented in Washington by self-interested lobbies like the Business Roundtable that reflect their members' narrow, short-term interests. Even though health reform was in the long-term interest of both large and small business, their lobbies ended up united against it.

Second, in the mid-sixties, when Medicare passed, Democrats could still rally the broad middle and lower classes on behalf of major social reform. But since then, opponents to change have been able to divide the middle class from the poor. There are many reasons why: changes in the American economy that have created a yawning gulf between suburb and city, and between the salaried white collar and the urban unemployed; misguided social policy that has exacerbated the divisions between white and black; and a conservative politics designed to take advantage of these divisions.

President Clinton initially understood that in order to pass health care reform, he had to argue that it would benefit the middle class by preventing price gouging by insurance and drug companies. But somewhere along the way, the administration lost the rhetorical initiative and began portraying health care reform primarily as a means to insure the uninsured. This played into the hands of reform's opponents who began to portray it as a tax increase on the middle class for the benefit of the poor. At that point, the reform effort died.

What might Clinton have done? Marmor's essays contain two seemingly contradictory prescriptions about health care reform. He argues that "incremental" reforms often do more damage than good. "The history of American government," Marmor writes, "suggests that the time to get the architecture of a program set is at the beginning, before benefits are expanded, not afterward." From this it would seem that Clinton did the best thing in pushing single-mindedly for comprehensive reform.

But Marmor also suggests that with fundamental measures blocked, reformers should try to decide which incremental reforms will be the most beneficial. If incrementalism "is our destiny," Marmor writes, "the least we can do is distinguish between those strategies that do little more than tinker in an effort to patch up weaknesses in existing arrangements, and those that lead in the direction of fundamental reform." The Bush administration's 1992 proposal, Marmor writes, was "vague, poorly thought out and deeply inadequate in its prescriptions," but it contained a "remarkable" proposal to prevent insurance companies from basing coverage on pre-existing conditions and poor health histories. Reformers, Marmor argues, should have enthusiastically pushed this plan for community rating.

One can't reconcile these two approaches, but one can combine them. Clinton should have advanced a comprehensive program, but he also should have had a legislative strategy that was aimed from the beginning at securing at least modest reforms. It seems very likely that such a strategy would have worked. When Clinton took office in January 1993, there was a widespread sense of urgency, if not crisis, about health care reform, and if you include the 23 Republican senators who backed John Chafee's plan, there was a substantial congressional majority in favor of moving toward universal coverage through incremental reforms. But instead of trying to develop bipartisan coalition in favor of community rating and other modest changes, Clinton chose to persevere

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with his own plan, which, by the time it arrived in Congress a year later, found a body deeply divided and hostile to any suggestion of reform.

With conservative Republicans in control of Congress, health care reform is probably dead for the remainder of Clinton's term, if not for the remainder of the century. Last year, Republicans claimed they would support insurance reform to require community rating and portability of plans, but at the time they seemed oblivious to the fact that imposing community rating by itself would lead to higher average premiums and to a reduction in the number of the insured, who might be priced out of coverage if plans were compelled to take all comers. Once they understand this—and the insurance lobby will make sure they do—they will probably back off any reform plan. The politics of health care, as Marmor predicted two years ago, are most likely headed toward confusion and despair.

John B. Judis is a contributing editor of The New Republic *and author of* Grand Illusion: Critics and Champions of the American Century.

Race and Culture

Thomas Sowell
Basic Books, $25
By James Fallows

This is a better book than its often-crabby reviews would indicate. *The New York Times Book Review* said that despite the book's scholarly pose, "what animates it is preconception rather than investigation, cultural determinism rather than cultural inquiry." *The Washington Post* said that "it reads like a book that was not quite finished," since it did not match its many anthropological observations with a satisfying overall theory. The arguments Thomas Sowell makes in it should have received about as much attention as those by Charles Murray and Richard Herrnstein in *The Bell Curve*—which means that in an ideal world, each book would have gotten about one-tenth as much attention as *The Bell Curve* actually received.

The chapter of Sowell's book dealing directly with inherited differences in ability, called "Race and Intelligence," was written long before anyone had heard of *The Bell Curve*. Still, it is a very effective rebuttal to the Murray-Herrnstein argument that inherited and unchangeable differences in intelligence play a major role in deciding which races succeed and which fail.

Sowell's discussion of this subject starts, as Murray and Herrnstein do, with the long-established observation that average IQ scores vary among races, with Asians and whites scoring higher than blacks. Some of the difference is very likely genetic, he says. "When the Chinese tested in Hong Kong, Singapore, Boston, New York, and San Francisco repeatedly show a superior sense of spatial conception, it is difficult to deny that there is something there, whatever its origin might be."

But Sowell goes on to say that if genetics were the principal factor determining IQ score, it would be very difficult to explain a number of other well-established observations. For instance, in the last several decades the IQ scores of many ethnic groups in America have changed. In the twenties, the median IQ of Italian-Americans was 92. In the sixties, it was 103. For Polish-Americans, the median IQ rose from 91 in the twenties to 109 in the seventies. Sowell points out that both these groups tended strongly to marry within their own group during the period when their IQ was rising. Therefore, an improvement in genetic stock could not explain the IQ rise; it had to be environment.

Similarly, Sowell says the IQ scores for black Americans have varied heavily with region for many years—lowest in the South, highest in the North. This difference applies even with blacks who migrated fairly recently from the

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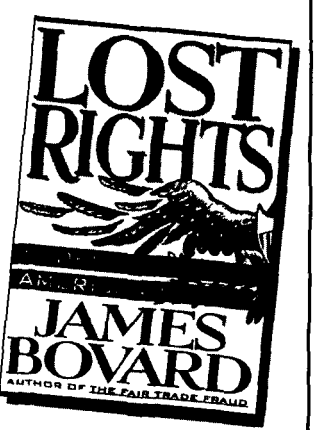

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South, and who were obviously from the same gene pool as their lower-IQ relatives still back in the delta and the bayous. Blacks in the North have also had higher average incomes than blacks in the South. The Murray-Herrnstein hypothesis would see the higher IQ as the cause of the higher income. (Why are black auto workers in Detroit better paid than black sharecroppers in Mississippi? Because the auto workers are smarter.) Sowell says that causation more likely runs the other way. (Why do children of Northern black industrial workers score better on tests than the children of black sharecroppers in Mississippi? Because they grow up in a better environment and attend better schools.)

The IQ for America as a whole has risen dramatically through this century, believe it or not. The gene pool of America has constantly deteriorated during this period, if we are to believe the warning of alarmists who throughout this century have said that less-talented aliens are pouring in to burden our system. How could the scores have gone up? I once heard Charles Murray suggest in a seminar that "better nutrition" might have made Americans smarter. I believe Sowell when he says that the cause is improved mass education. (Public schools may be bad now, but a century ago many children barely went to school at all.)

Sowell's more important observation on this is that "race" itself is more a social than a biological conception, especially in the United States. If you compare a Swede and a Masai, you can see some obvious racial differences. But in America it is ridiculous to think that all "whites" are similar to each other, or are clearly different from all "Hispanics" or "blacks." The painful American convention of classifying those with any detectable African ancestry as "black" says a lot about American history but almost nothing about real, scientific distinctions among "races" in America. Lani Guinier, with a Jewish mother and a Caribbean father, is an extreme illustration of a much broader fuzziness of American racial classifications. To say that the difference among American "races" is more in the mind than in the genes doesn't make the differences go away. People hate each other in many corners of the world, even when outsiders can barely tell the difference between the two warring groups. In Japan, a whole detective industry is based on finding out whether otherwise-respectable citizens are actually members of the untouchable caste known as *burakumin*. The reason the investigations are necessary is that the *burakumin* look no different from other Japanese. But when a definition of race has only a vague connection to biology, it can hardly support theories of deep differences in brain structure.

The main subject in Sowell's book is the connection between culture and economic, political, and academic performance around the world. Sowell says that because of America's edginess about its own racial problems, Americans resist the very idea that certain groups have developed certain skills or filled certain niches around the world. He says, in effect: Let's forget our own problems for a while and look at how the world actually works. He describes cultural specialization in East Asia, India, the Caribbean, the Middle East, Latin America, and Europe. The best thing I can say for his discussion is that each time it involved something I knew about first hand, for instance the tension between economically dominant Chinese and politically powerful Malays in Southeast Asia, his observation rang true. Sowell does not systematically examine *why* different groups have succeeded in business, academics, or politics. The best recent book on the cultural roots of economic success or failure remains *Underdevelopment is a State of Mind*, by Lawrence Harrison. But the book is fair-minded and worth reading, much more so than *The Bell Curve*.

James Fallows, a contributing editor of The Washington Monthly, *is Washington editor of* The Atlantic Monthly.

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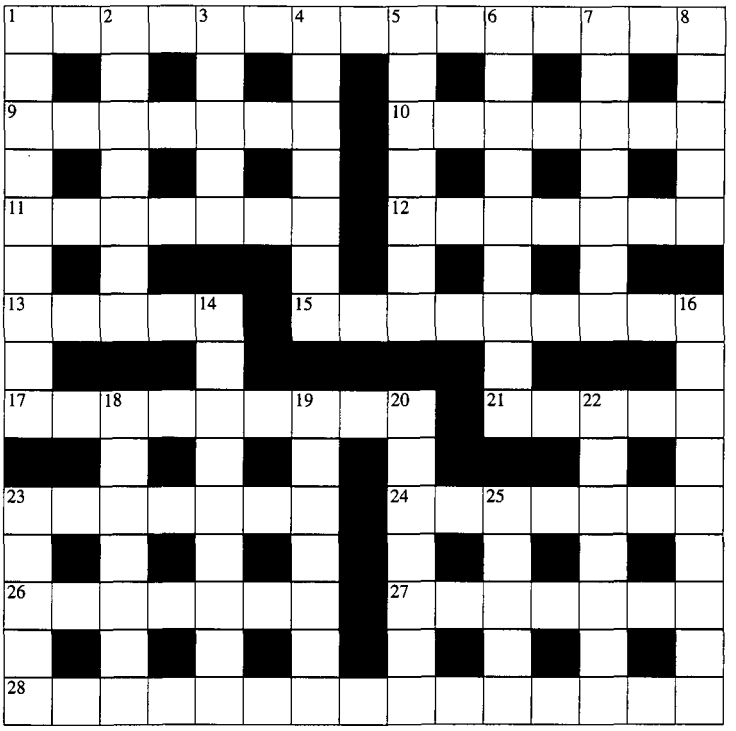
Political Puzzle

BY JOHN BARCLAY

The numbers indicate the number of letters and words, e.g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g. USA, are treated as one word.



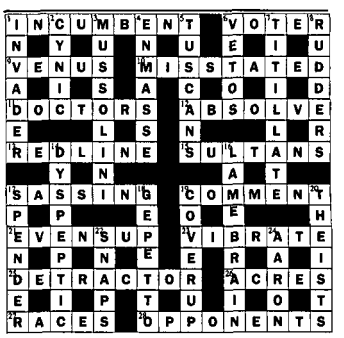
ACROSS

1. Washington's VIPs who make press event a rite. (15)
9. Nat takes in member for group. (7)
10. Pub's set up around coffee pot and goes down in flames. (5,2)
11. Draw big company car backing to start of trail. (7)
12. Took charge and teed Art off. (7)
13. Army type confused dime and cent. (5)
15. Posed nude, rated some alcohol. (9)
17. New England institution made mud art hot. (9)
21. State short series for early bird, for example. (5)
23. Does not fall for strolling sisters. (7)
24. Since traveling, see Cuba. (7)
26. Brass playing on cello. (7)
27. Make up Colorado poems in new style. (7)
28. Freed con wins Detroit's focus of each of 1 Across. (15)

DOWN

1. Made new use of idle cream blend. (9)
2. Steered particular piper around house site. (7)
3. Last word coming back to Europe's first therapy. (5)
4. In retrospect take out around catch-all. (7)
5. Asian live in giant embrace. (7)
6. Enemy catches team between peaks. (9)
7. Stranger thing in part of headgear. (7)
8. Renovated pad is tasteful. (5)
14. Inherits some tonic mixture. (5,4)
16. Max set up nerd's date. (9).
18. Separate lovers playing before start of engagment. (7)
19. Greek character mixed lions up. (7)
20. Grill composer after greeting and initial introduction. (7)
22. Fancy dessert shakes up Simon. (7)
23. On right side in returning Perot certificate. (5)
25. December team member finds me in bed. (5)

Answers to last month's puzzle:



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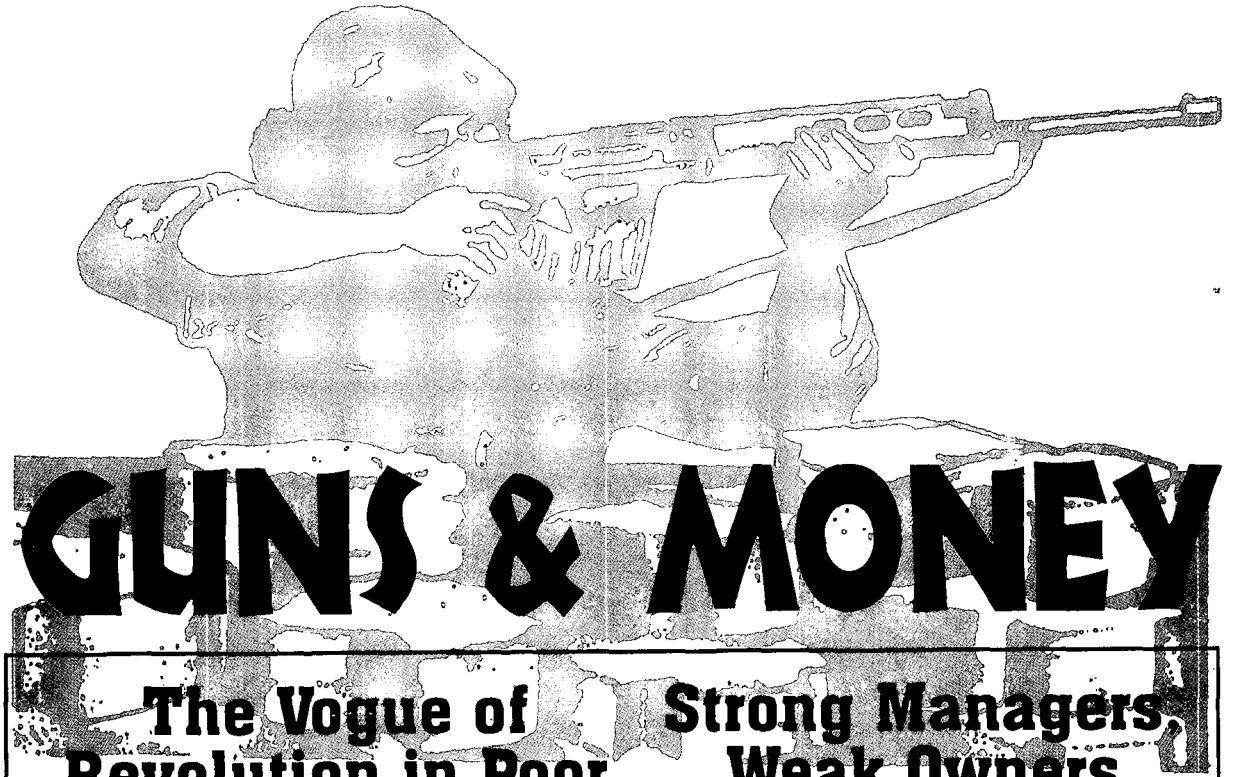

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